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# FINANCIAL TIMES

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## NEWS SUMMARY

### GENERAL

#### Ulster speech causes fury

A storm of protest erupted yesterday over a speech in Dublin by Thomas "Tip" O'Neill, Speaker of the U.S. House of Representatives, criticising Britain's role in Northern Ireland.

Mr. O'Neill made an unscheduled visit to Belfast where he met leaders of the Ulster political parties. Their talks were "candid and informative," he said.

His claims in Dublin that Ulster had been treated as "a political football in London," were hotly denied by leaders of both the main parties. Mrs. Margaret Thatcher, leader of the Opposition, said: "We have never used Ulster as a political football between the parties. Events there are too deeply tragic for any of us to do that."

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### SALT offer

Chinese Vice-Premier Deng Xiaoping's offer to help the U.S. monitor Soviet compliance with the proposed SALT nuclear arms treaty has met with scepticism in Washington, where new efforts are being made to have the details of the treaty finalised by next week.

Back Page

### Militia threat

Right-wing Christian militias in the newly proclaimed "Free Lebanon" enclave have threatened to renew bombardments of United Nations positions. Dr. Kurt Waldheim, the UN Secretary General, said erosion of the UN operation could be disastrous for the Lebanese Government.

### Rome terror

Extremists blasted the main door of the Senatorial Palace, Rome, which was designed by Michelangelo and is used as the city's main administrative building.

### Rhodesia raid

Rhodesian aircraft attacked guerrilla targets in southern Mozambique, as polling continued in the election for black majority rule. Latest official figures show that 51 per cent of voters have turned out.

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### Last Concorde

The last Concorde built at Filton, Bristol, had its maiden flight. Production of the 16 aircraft cost Britain £252m.

Page 4

### Cambodians flee

Between 5,000 and 6,000 refugees from Cambodia have sought refuge in Thailand, the largest number to enter the country since the Khmer Rouge took power in Cambodia in 1975.

### Waldheim snub

The South African sponsored constituent assembly in Namibia has rejected the latest proposals by Dr. Kurt Waldheim, the UN Secretary General, for a ceasefire and elections, and called for the establishment of an interim government.

### Weight problem

Dedant Muriel Hopkins, of Tipton, near Dudley, is refusing to go to hospital in spite of being so overweight at 52 stone that doctors say she must have immediate treatment. "They will only stop me smoking and starve me to death," she said.

### Briefly...

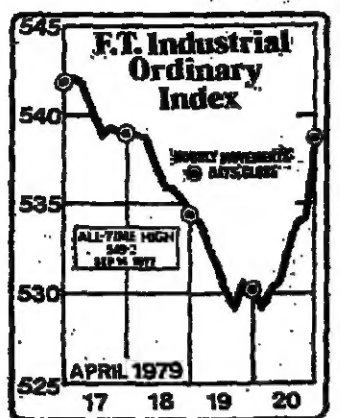
Egypt's President Sadat received a 99.95 per cent "yes" vote in a referendum on the peace treaty with Israel. Page 3

Four American airmen escaped unhurt when their F11 fighters crashed into the sea after a collision over north-east Scotland.

### BUSINESS

#### Equities rise 8.5; Gold off \$4½

● EQUITIES surged in late trading on bright election prospects for the Conservatives. The



FT 30-share index closed 8.5 higher at 538.7.

● GILTS reacted at first to the sterling exchange rate but were boosted later by election hopes. The Government Securities index rose 0.09 to 74.63.

● STERLING lost 1.05c to close at \$2.0675, the pound's trade-weighted index easing to 67.9 (67.1). Dollar made small gains against major currencies, and its trade-weighted index rose from 85.5 to 86.1.

● GOLD lost \$4½ an ounce to close at \$236½.

● WALL STREET was down 0.78 at 854.47 before the close.

● U.S. money supply: M1 rose to \$361.6bn (\$359.5bn); M2 increased by \$3.8bn to \$588.5bn.

● COMPANIES employing less than 200 people received 40 per cent of this year's Queen's Awards for export achievement and nearly one-third of the awards for technological achievement. A total of 121 awards were made, three less than last year.

Back Page; details Pages 6 and 7

● DUNLOP is preparing to fly helicopters to fly materials into its Birmingham plant in a bid to defeat the effects of trade union picketing at the plant.

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● CONSORTIUM of three major brewers which owns Harp Lager is to be broken up later this year, following a restructuring of the company.

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● ARIEL, the computer share-dealing system set up by the accepting houses as an alternative to the Stock Exchange, has only a poor chance of survival, despite plans to overhaul the entire service structure. Page 5

● ENERGY Secretary Mr. Anthony Wedgwood Benn has ordered the British National Oil Corporation to start final talks with Marathon Shipbuilders for a £12m drilling rig, one week before the Clyde yard runs out of work. Page 5

● MEMBERS of the policy-making committee of the Lloyds Bank staff association have drawn up a confidential document laying out a strategy for destroying the Banking, Insurance and Finance Union. Page 10

● PAY TALKS between British Rail and three rail unions representing 180,000 railway workers foundered again, despite the intervention of Sir Peter Parker, BR chairman. Page 10

### COMPANIES

● MARSHALL CAVENTISH, the publishers, reports that group profit fell well short of the forecast of £2.4m at £1.73m in 1978, compared with £3.05m profit in 1977. Page 26

● AUTOMATED SECURITY (Holdings) pre-tax profits in 1977-78 advanced to £1,021,717 (£506,896) and turnover, to £7,08m (£2,24m). Page 26

## Tory tax promises inflationary, say Labour leaders

BY ELINOR GOODMAN, LOBBY STAFF

Tax cuts and prices emerged as the main battleground for the election as the first week of the campaign drew to a close and charges and counter charges grew louder.

Labour leaders mounted a concerted attempt to brand the Conservatives' promised switch from direct to indirect taxation as inflationary, and to move the centre of debate on to what they regard as the much safer ground of prices.

The Tories countered by accusing Labour of scaremongering, and made renewed attacks on the Government's record on unemployment, traditionally one of the issues on which Labour claims to be strongest, and one it will certainly stress as the campaign heats up next week.

Speaking in Liverpool last night Mr. James Callaghan accused the Tories of deceiving the electorate with promises of massive tax cuts. What they were offering was a recipe for continuing inflation which, by increasing value added tax, "could make millions of people worse off," and hit those who could afford it least.

With yet another poll yesterday pointing to a big Tory victory, this time in London, Labour strategists are concerned at the success the Tories appear to have in getting across what they regard as an oversimplified and dishonest message on tax cuts.

For the second day running Mr. Callaghan was forced to acknowledge the Tories' central election promise.

He repeated Labour's determination to reduce the burden of income tax, but insisted that he was not stealing the Tories' thunder.

In trying to undermine the Tories' tax cutting message, Mr. Callaghan went through Labour's record on taxation.

Mrs. Shirley Williams, the Education Secretary, generally considered one of Labour's best television performers, made the same point in a party political broadcast last night.

The main message that a Tory Government would put up prices. Council rents could go up by £2 a week or more, and school meals cost 10p more, as a result of the Tories reducing subsidies, she said.

The figures quoted by Mrs. Williams were similar to those she used at Labour's morning Press conference.

They were immediately attacked by Sir Geoffrey Howe, the Shadow Chancellor, as having "no basis in reality."

He appeared to be trying to throw Labour's allegation about the inflationary implications of cutting direct tax back in Mr. Callaghan's face.

The day before, he recalled, Mr. Callaghan "told us it might be quite a good idea" to switch the tax burden to indirect tax.

"So what extra spending taxes is he proposing: what effect will they have on the family budget?"

Mrs. Margaret Thatcher spent a relatively quiet day yesterday campaigning in London. Questioned in the evening about the impact of her taxation policies on pensioners, she again insisted that they would not suffer as a result of the switch to indirect taxation.

Other election news, Page 8  
Editorial comment, Page 24

## Midland plan to acquire banking chain in France

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

MIDLAND BANK is planning a major expansion of its banking operations in France. It will acquire a chain of 15 branches throughout the country in a deal in which it will invest £18.5m, acquiring a majority stake in the quoted Banque de la Construction et des Travaux Publics.

BCT specialises in construction and residential mortgage financing, and has total assets of FF7.3bn (£811m). On the basis of Midland's FF120 a share offer, the bank has valued at about £5.5m. It reported net profit before taxes for 1978 of FF9.5m (£1m).

Midland has been operating in France since October when it established a subsidiary, Midland Bank France, in Paris with a capital of £11m. That

move was seen by some bankers as an indication of Midland's disenchantment with the consortium bank idea which it has relied upon for European coverage up to now.

Midland is a member of the BEIC consortium, which includes such other leading European banks as Deutsche Bank of Germany, AMRO of the Netherlands, and Societe Generale of France.

Societe Generale and the other two main State-controlled French commercial banks—BNP Credit Lyonnais—are shareholders in BCT, together accounting for 36 per cent of the capital. The French public holds 26 per cent of the equity. The largest shareholder, with a 33 per cent stake, is the

property investment group, Immobiliere Constructions de Paris. The agreement involves Midland acquiring the ICP holding at a cost of about £34m.

It is conditional on the BCT shareholders agreeing to a capital increase which will be subscribed to solely by Midland, at a further cost of £10m.

If the deal works out as planned Midland will end up with 67 per cent of the re-capitalised BCT, with the rest of the shares held by the three French State banks. While BCT's existing business will be continued Midland plans a progressive broadening of its activities.

Midland said last night that the acquisition of BCT will mark a significant evolution of its representation in France.

## Times may print weekly abroad

BY ALAN PIKE, LABOUR CORRESPONDENT

THE TIMES NEWSPAPERS yesterday announced a plan to print a weekly edition of The Times overseas to serve the paper's international readership.

The edition would be written by Times journalists on a voluntary basis and printed under contract in Europe. It would not be for sale in the UK.

Mr. William Rees-Mogg, Times editor, said the idea of a weekly international edition had been under consideration for some time. He expected the weekly would be continued even after the daily Times resumed publication in London.

By last night, however, the plan had run into stiff resistance from union leaders representing the dismissed Times employees.

The Times, The Sunday Times and the three supplements have been closed for four and a half months because the management has been unable to reach agreement with some unions about introducing new technology and reforming working practices.

Plans for a relaunch of the papers on April 17 were abandoned because of deadlock in negotiations. The two main areas of disagreement are on the introduction of computer typesetting equipment and the management functions which had been ceded to trade union chapel officials (shop stewards).

Mr. Rees-Mogg said yesterday that he was not prepared to disclose where it was planned to print the new international edition. Some people, he said, would be anxious to interfere with the plan and the Times did not wish to help them.

He said it was hoped to bring out the first edition before the election on May 3. It was intended to have 16 pages with 100 editorial columns.

He believed that enough journalists would want to work for the new weekly Times in order to help to keep the title alive. The Times's overseas circulation was about 30,000 before publication was suspended.

It is intended that editorial copy and advertisements should be transferred physically to the overseas printer, avoiding problems of who should operate telefax machines.

Mr. Rees-Mogg did not expect difficulties in providing other services like those performed by messengers. He said: "It is extraordinary what dignified and eminent people are prepared to be messengers—including myself."

Mr. Les Dixon, president of the National Graphical Association, gave a warning that the new paper would be a "non-starter." Times Newspapers, he said, would be "foolish" to go ahead with the idea and he said that it could provoke retaliatory action against Thomson Regional Newspapers.

We have bent over backwards to keep Thomson Regional Newspapers out of this, but we will have no alternative if this scheme goes ahead," he added.

The NGA is getting in touch with the International Graphical Association.

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## Prices in Germany rise 2% in month

By Adrian Dicks in Bonn

WHOLESALE PRICES in West Germany rose by 2.1 per cent in March over the previous month, and were 4.9 per cent higher than in March, 1978.

Like the February figures, which showed a year-to-year increase of 3.1 per cent, the March wholesale price performance appeared primarily to reflect seasonal factors of abnormal weight, according to the Federal Statistical Institute.

In particular, prices of fresh vegetables jumped by 13 per cent and those of imported fruit by 14 per cent—both consequences of the exceptionally cold winter.

While those components of the index can be expected to decline later in the year, higher oil prices and higher world prices for non-ferrous metals and other raw materials may also have begun to make their influence felt.

In its April report, issued on Thursday, the Bundesbank put the main blame for rising prices on those external factors. It indicated that at present it had little concern that domestic prices would rise at anything like the same rate.

The joint working party of the five leading economic institutes recently predicted that the index might rise at an annual rate of 3.5 per cent during the first half, and of 4 per cent during the second half of this year, compared with a little under 3 per cent for 1978.

Colin Williams writes: The extent of the rise in the index was something of a surprise to the foreign exchange market yesterday, and led to renewed selling pressure on the Deutsche Mark.

Earlier this week the German currency tended to gain ground, amid suggestions that the recent level of DM 1.80 was too high for the dollar in the present economic circumstances.

Yesterday's news from Germany, coupled with the earlier report of a slowing in the growth of the U.S. cross-national product, may have led to a change of heart however.

The dollar touched a high point of DM 1.9050 and closed at DM 1.8920, compared with DM 1.8820 on Thursday.

Sterling's fall of 1.05 cents against the dollar, to close at \$2.0675, was mainly a reflection of the strength of the U.S. currency. The pound's trade-weighted index eased to 67.0 from 67.1. Against the D-mark, sterling, was unchanged at DM 3.9550.

## Ford blames strikes for halved profits

BY LISA WOOD

THE STRIKE which closed Ford Motor's UK plants for nine weeks last year was blamed yesterday for much of the £400m profit forecast for 1978.

Industrial disputes, Ford said, virtually halved profits. Pre-tax profits were £242m, said the annual report yesterday, against the record £246m in 1977.

Sales by the group, a wholly-owned subsidiary of Ford Motor of the U.S., reached £3,863bn, compared with £3,233bn in 1977. Overseas sales, including output of the Belgian tractor factory and Irish assembly plant, totalled £829m (£1,086bn the year before), while direct exports from the UK, hit by the industrial disputes, were £775m (£894m).

Operating profits dropped from £241m in 1977 to £217m, but post-tax profits were up to £119m from £118m.

On a current cost accounting basis the operating profit dropped from £145m in 1977 to £53m in 1978, though after interest income and gearing adjustment this figure rises to £128m (£170m).

Capital expenditure commitments, including committed contracts not provided for in the accounts and amounts authorised by the directors but not contracted, rose from £166m in 1977 to £466m at the end of 1978.

Ford said this reflected the beginning of the company's £1bn future investment programme announced last year.

The company said that its £400m pre-tax profits target would have been largely achieved but for the nine weeks' dispute, which reduced profits by about £130m. The loss of 117,000 vehicles from the dispute cost the company £450m in showroom values.

Losses of production at Halewood press shop, in the early part of the year combined with failures to meet deadlines throughout the year, also hit profits.

Sir Terence Beckett, the chairman and managing director, said: "It was a year of mixed fortunes."

"We set our sights on a 30 per cent share of the best car market since 1973, and I believe we could have achieved it. But the year opened and closed with major disputes."

"We started with a six-week strike at the Halewood press shop and finished the year with a national shutdown which lasted nine disastrous weeks."

Despite the strike, which hit Ford's sales particularly badly



Sir Terence a year of mixed fortunes.

Ford Motor and subsidiaries

	1978	1977
Sales	£m	£m
Export market	927	1,046
Home market	1,434	1,187
	2,363	2,233
Operating profit	217	241
Interest income	—	—
Less expense	25	5
Dividend income	—	—
Profit for the year	242	246
Taxes	123	130
Profit after taxes	119	116

In October and November, the group took 24.65 per cent of UK car sales last year and was the market leader. But 35.2 per cent of its cars sold in Britain were imported.

"Out of context the profit looks quite impressive—nearly as much as our record 1977 figure. But we're not in the business of standing still. To stay ahead and, most importantly, to maintain our investment programme, we should have been making almost double."

On the future Sir Terence said: "If we cut out the stoppages of work the opportunities are there to make our jobs and the future more secure in a highly competitive world and to create more wealth for Britain."

Two Ford staff paid £65,000.

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### £ in New York

	April 19	Previous
Spot	\$2.0755-0745/\$2.0710-0715	
1 month	\$2.03-0.87 dis	\$2.04-0.55 dis
3 months	\$2.78-0.73 dis	\$2.80-0.76 dis
12 months	\$2.10-2.00 dis	\$2.05-1.95 dis

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## OVERSEAS NEWS

## White House intervenes in rubber workers' pay talks

BY STEWART FLEMING IN NEW YORK

WITH A STRIKE deadline set for midnight, the Carter Administration intervened yesterday in the rubber industry wage talks, in an effort to block a settlement which would further threaten the Administration's wage guidelines.

For the first time since the anti-inflation policy last October, the President ordered his top economic advisers to become directly, and publicly, involved in a wage dispute.

He has asked Mr. Ray Marshall, the Labour Secretary, Mr. Alfred Kahn, the inflation adviser, and Mr. Charles Schultz, the chairman of the Council of Economic Advisers, to meet Mr. Peter Bommarito,

the president of the United Rubber Workers, and representatives of the four big rubber companies: Goodyear, Firestone, Uniroyal, and B. F. Goodrich.

A White House spokesman said the officials will not propose specific settlement terms, but will discuss "the critical importance to the nation's anti-inflation effort that this settlement be within the pay standards."

The White House added: "At those meetings, the President's advisers will reaffirm the strong and continued interest of the federal Government in a fair settlement that meets the anti-inflation pay standards."

The White House's intervention in the talks over a three-year contract for the 55,000 rubber workers

The negotiations were thrown into utter confusion on Thursday, when Mr. Bommarito announced that agreement had been reached on the major economic issues with three companies: Firestone, Uniroyal and Goodrich. Goodyear, the strongest company in the industry, had previously offered a settlement within the wage guidelines, and had been turned down.

After the union's announcement, the three companies issued a joint statement denying reached.

## Mystery broadcasts attack Deng

By David Dodwell

DENG XIAOPING, China's effective leader and architect of the country's ambitious modernisation programme, has been the target of swingeing attacks in mysterious radio broadcasts transmitted from an unknown location in East Asia.

Vice-Premier Deng has been attacked as an aspiring dictator, currying favour with the West, squandering precious resources and following policies likely to "bring calamity" to the Chinese people. He is accused of vilifying Chairman Hua Guofeng and trying to divide the leadership.

The broadcast was first heard on April 11. It claimed to be transmitting from the "1st August" radio station, but experts monitoring the transmissions have so far been unable to locate the source. Only one voice has been heard, and the accent of the speaker has led language analysts to believe transmissions come from outside the Chinese mainland.

Efforts to trace the broadcasts have been complicated because it is heard for just nine minutes, and at irregular times during the day.

"1st August" is an important date in China for two reasons: it is the anniversary of the foundation of China's Red Army in 1927. And on that date last year, Deng Xiaoping emerged as effective head of the Chinese Government.

Experts at the BBC's monitoring headquarters west of London believe the broadcaster wants to persuade his audience that transmissions come from inside China, where they represent dissenting military opinion. But BBC staff now tentatively believe transmissions come from North East Russia. The Soviet leadership would clearly be happy to foment division amongst the Chinese people and their leaders. They would also be happy to pinch in the bud Deng Xiaoping's courtship of Japan and the West.

The broadcasts have been absolutely uncompromising in their criticism of Deng Xiaoping. They allege that he is "the sole holder of Party, Government and army power," and that he "is fortifying his dictatorial position and arbitrarily carrying out policies which harm the country and bring calamity to the people."

## Andreotti reinstates Sarcinelli

BY PAUL BETTS IN ROME

ITALY'S CARETAKER Cabinet of Sig. Giulio Andreotti attempted yesterday to defuse the controversial Bank of Italy affair by formally approving the reinstatement of Sig. Mario Sarcinelli, the central bank deputy director-general temporarily suspended from office in connection with judicial inquiries into one of Italy's major chemical groups, Societa Italiana Resine (SIR).

However, the Cabinet decision is essentially a symbolic gesture, in that the Government cannot overrule the initiative taken by the magistrates earlier this week to suspend Sig. Sarcinelli under Article 140 of the Italian penal code. This empowers magistrates to suspend a public official if they consider the alleged charges sufficiently serious.

After the magistrates deci-

sion, Sig. Andreotti came under increasing pressure from the main political parties, several Cabinet Ministers, and leading economists to express formally his Government's confidence in the central bank.

The latest move by the magistrates had also increased the risk that Dr. Paolo Ruffi, the governor of the Bank of Italy who has also been charged, and the senior management of the central bank would carry out their threat of resigning. Indeed, on the eve of the Cabinet meeting, Dr. Ruffi had talks with the Prime Minister.

The Cabinet's initiative yesterday is now generally expected to have been the time being at least—the risk of Dr. Ruffi's resignation, which could clearly have severe domestic and international repercussions. The Cabinet's decision was

generally welcomed yesterday by the main political parties and the Italian banking system.

But Sig. Andreotti also indicated his reluctance to worsen the current conflict between the State and the judiciary over the affair by claiming yesterday that he did not intend to interfere with the prerogative of the judiciary.

During the past few days, there has been pressure on the Government to go to the Constitutional Court to issue a formal ruling on the controversial initiative of the magistrates involved in the SIR inquiries.

Sig. Andreotti's attempt to defuse the Bank of Italy controversy comes at a time of growing internal difficulties and political frictions, in view of the forthcoming general election on June 3, a fresh outburst of the city town hall and a major historical monument

and increasing labour unrest and concern over a revival of inflation.

The political parties are preparing for the electoral campaign, which officially starts at the beginning of next month and is expected to concentrate on the key question of the eventual entry of the Communist Party into a new Government.

At the same time, the present political tension has been worsened by a revival of politically motivated violence during the past 24 hours, with the murder in Milan of an anti-terrorist police officer and the killing in Rome of a Communist student.

In the early hours of yesterday, a bomb caused severe damage to the Capitol in Rome, the city town hall and a major historical monument

## UN proposals rejected by Namibia assembly

By Quentin Peel in Johannesburg

THE SOUTH AFRICAN-sponsored constituent assembly in Namibia, yesterday formally rejected the latest proposals by Dr. Kurt Waldheim, the UN Secretary-General, for a ceasefire and elections in the territory, and called for the establishment of an "interim Government" there.

The decision means that the South African Government will now in turn reject the UN proposals, while maintaining that it still accepts the original western plan for a settlement in Namibia.

## State subsidy boost for low-income Venezuelans

BY KIM RUAD IN CARACAS

THE Venezuelan Government will directly subsidise consumers with low incomes as part of a new policy aimed at boosting domestic production of goods and services while softening the impact of price rises, according to Sr. Luis Ugueto, Venezuela's Finance Minister.

At present, Government subsidies and price controls on basic services and goods benefit all sectors of the population, regardless of their income levels. Sr. Ugueto, who indicated that

funds for the new subsidies would be included in the 1980 budget, said that public transport, for example, would have a two-tier pricing system, with low income groups paying a lower rate.

Some economic advisers to the Administration of President Luis Herrera Campesino have said that direct subsidies to Venezuela's marginal income classes—about 20 per cent of the country's 13m population—could also include food coupons

## Giscard's reconciliation bid fails

BY TERRY DODSWORTH IN PARIS

AN ATTEMPT to smooth over differences in the French Government majority parties fizzled out yesterday, when President Valéry Giscard d'Estaing met his most vociferous critic, M. Jacques Chirac, the leader of the Gaullists.

The meeting had been billed as a private tête-à-tête which would allow them to reconcile some of the differences between

the President's UDF party and the Gaullists.

In the event, the encounter took place after a fortnight of polemics had soured their relationship to such an extent that M. Chirac insisted on being accompanied by three of the most senior Gaullists, M. Michel Debre, M. Paul Messmer and M. Claude Labbe.

Afterwards, M. Chirac emphasised his differences with the President by dwelling on his political anxieties. In a short

statement, he said they had talked about the economic and social problems facing France, as well as policy towards Europe.

The statement from the President's side emphasised the "useful and positive" aspects of the meeting.

Nevertheless, it is clear that the two parties remain deeply divided on several issues, despite M. Chirac's determination to continue to support the Government in Parliament.

## Faster ASEAN integration proposed

BY H. F. LEE IN SINGAPORE

MEMBER governments of the Association of South East Nations (ASEAN) should initiate institutions and arrangements aimed at the emergence of ASEAN companies and even ASEAN multinational companies, Tun Tan Siew Sin, former Finance Minister of Malaysia, said.

Tun Tan, chairman of Sime Darby Holdings, told the second and final day of the Financial Times conference on South-East Asian Banking and Finance that the aim would be to remedy the current lack of progress in economic co-operation among ASEAN members.

Since ASEAN was set up in 1967, Tun Tan said, it has not made much progress so far as specific accomplishments in the economic field are concerned.

"One need not go far to find the reasons for this lack of progress, bearing in mind that apart from Singapore, the remaining four member countries of ASEAN are largely primary producers," he said.

"In other words, the bulk of our exports are in the form of raw materials, and they go mostly to the industrial countries, while the bulk of our imports are in the form of manufactured goods and they come mainly from the same countries, the basis for closer co-operation among ourselves,

let alone integration, is therefore practically non-existent."

Tun Tan made two proposals which he said would provide the foundation for the establishment of truly ASEAN companies.

His first suggestion was the awarding of "ASEAN status" to private sector projects which fulfil certain conditions. These conditions could include minimum percentage equity participation by ASEAN nationals and institutions of not less than 51 per cent, equity participation by non-host regional countries of at least 10 per cent, and a specification that products must have a certain minimum "ASEAN content" of inputs, including labour.

Second he proposed the establishment of an ASEAN Free Trade Area (AFTA) over a definite time frame to provide ample opportunity for adjustment by, say, 1990, by which date all tariffs and quantitative restrictions within ASEAN would be removed.

A free trade area as exemplified by the European Free Trade Area, Tun Tan explained, allows the free entry of all goods among the member countries, but such countries are free to have separate, and hence, different tariffs against the rest of the world. This is unlike an integrated

customs union like the EEC in which the member countries share a common external tariff against the rest of the world.

He emphasised that the two proposals are complementary and accepting one without the other would be equivalent to

covers an area of about 1.2m square miles. Within its borders are to be found every raw material required by the developed world," he said.

Another speaker, Mr. G. E. London, joint general manager of Amsterdam-Rotterdam bank, in his paper on the attractiveness of ASEAN countries in the international capital markets, said that the track record of transactions for ASEAN borrowers in the international capital markets has on the whole been quite good.

Borrowers from the ASEAN region in the international syndicated loans market, he added, have been particularly successful.

Speaking on the investor's view of the economies of South-East Asia, Mr. Richard Miles, executive director of Merrill Lynch International Banking Group, said: "While in the immediate future potential foreign investors may exhibit an increasingly cautious and hesitant attitude towards new commitments to the region, I believe that the long-term future in the next 15 to 20 years for foreign direct investment in ASEAN is extremely positive."

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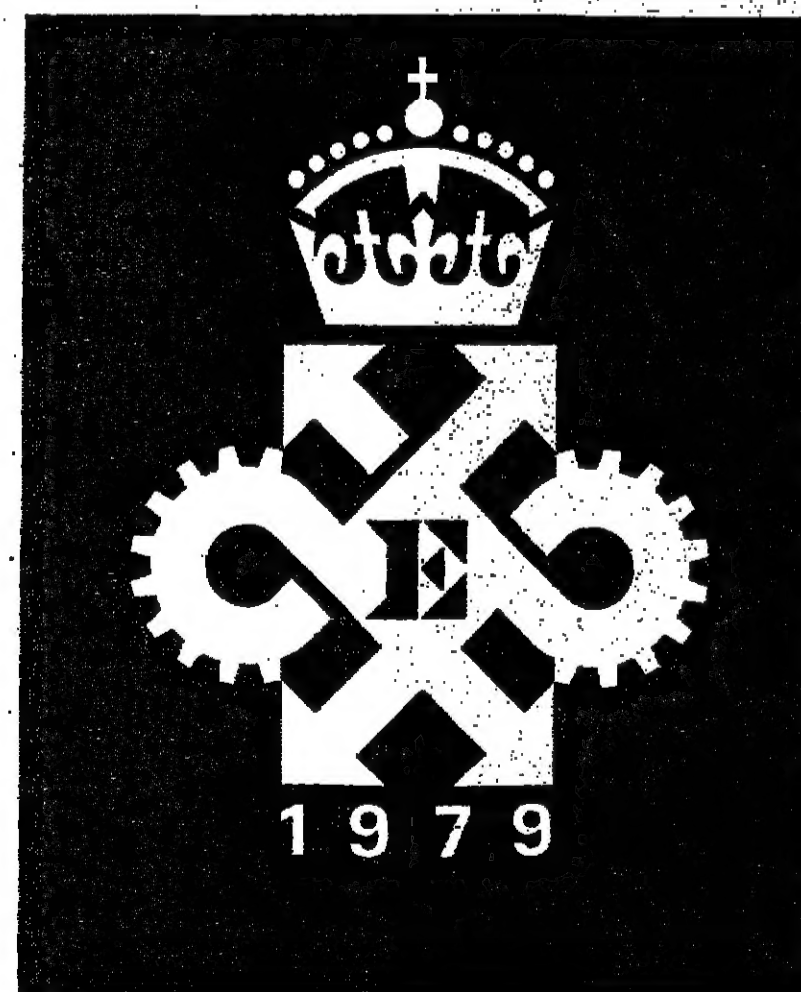
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## OVERSEAS NEWS

## Turnout in Rhodesia poll reaches government target

BY TONY HAWKINS IN SALISBURY

AFTER THREE days of voting in Rhodesia's majority rule elections, the transitional Government had reached its major objective of a 51 per cent voter turnout. Official figures released yesterday show that when the polls closed for the day on Thursday 1.5m people had cast their votes—51.3 per cent of the 2.94m electorate, of whom 2.8m are black.

The polls close this evening after 60 hours of voting spread over five days. The poll rate has slackened progressively after a hectic first day in which 25 per cent of the electorate voted. On the second day about 16 per cent voted and on day three the rate fell again to 10 per cent.

Polling was reported to have

slowed again yesterday but by the time the polls close tonight an estimated 65 per cent of the electorate will have voted. This is significantly higher than seemed probable only a month ago.

Observers from Western countries who have monitored the poll are understood to be generally satisfied that the elections were not only well organised and administered but also as "free and fair" as could be expected during a war.

AP reports from Johannesburg: The last two Americans ordered out of South Africa over the "spy-in-the-sky" incident left on Thursday aboard an Air Force C141 Star-lifter transport plane, U.S. officials said yesterday.

Maj. Alvan M. Crows and Maj. Bernard McConnell and their families flew out of Jan Smuts airport in Johannesburg on a non-scheduled flight. Officials were unable to say when the two officers would arrive in the U.S. or where. The transport makes regular, although unscheduled, round-trip flights between an air base in Florida and Johannesburg, stopping at several satellite tracking stations along the way.

The two officers and Sgt. Horace Wyatt were given until Thursday night to quit South Africa following Prime Minister Pieter Botha's televised charge that the U.S. Embassy's light plane was used to take aerial photographs of South African installations.

## Problems ahead for embattled Ecevit

MR. BULENT ECEVIT, the Turkish Prime Minister, has quelled the revolt in his Cabinet and appears to have ensured the continuity of his Government—but for how long remains to be seen. The sceptics, who are in the majority, believe that this is the beginning of a slow end for the Government. Others think that although considerably weakened, the Government may be able to soldier on, as it has for the past 16 months.

The revolt against Mr. Ecevit was staged last Saturday by six of the 11 independent right-wing deputies on whom the left-of-centre Republican People's Party relies for its majority in the 450-member ruling National Assembly. The 11, ten of whom are Cabinet Ministers, had quit Mr. Ecevit's Demirel's Justice Party, bringing down the Demirel coalition and putting Mr. Ecevit into power.

Although only six participated in the revolt, four of the remaining five sympathised with it and indicated that if a break occurred they too might stop supporting Mr. Ecevit—although even if this were to happen he might seek a coalition with the 24 deputies of the National Salvation Party.

The six Ministers confronted Mr. Ecevit with what amounted to an ultimatum. They held an unexpected Press conference in Ankara and read a joint memorandum which contained the conditions for their continued support of the Government. They asked Mr. Ecevit to adopt a tougher attitude towards extremist elements and secessionist activities among the estimated 7m Kurds inhabiting the mountainous territories in the border area with Iran and Iraq.

Mr. Ecevit learned the contents of the memorandum after it was read to newsmen. Two days later he called a Cabinet meeting which sat continuously for 17 hours—one of the

longest sessions in Turkish history—apparently bringing about a reluctant compromise.

The Cabinet statement indicated that the rebellious Ministers had been placated. The Prime Minister apparently bowed to many of their demands and agreed to consult the dissidents on economic matters.

When Mr. Ecevit came to power in January last year,

policies showed a lack of grasp. He failed to carry through the austerity programme he had promised in a letter of intent with the International Monetary Fund, and could thus not obtain vital Western economic aid. The economic situation deteriorated and he equally failed to come to grips with the drastic problems of life and security.

In 1978, 1,000 people lost

see the fall of the Government and revival of his Nationalist Front alliance.

In it his partners had been Mr. Alparslan Turkes of the ultra right-wing Nationalist Action Party and Mr. Necmettin Erbakan of the pro-Islamic National Salvation Army. Mr. Demirel knows that another such alliance could be disastrous. He prefers to wait

business. With a critical party convention coming up next month, Mr. Ecevit faces problems in accommodating these demands which are bound to be unpopular with the Left, which is powerful both inside and particularly outside the party.

He certainly faces more questions than answers. It appears likely that he will be able to reach an agreement with the IMF—thus opening the door to further possible foreign credits.

In the dialogue which will resume next week after being suspended for four months, he has already unveiled several parts of a fairly comprehensive austerity programme.

On the law-and-order front Mr. Ecevit may well extend martial law (in effect in 13 provinces, where a quarter of the 45m population lives, for four months) to some of the Kurdish provinces. These were carefully and probably wisely kept out of martial law in order to prevent a confrontation between the Turkish Army and the Kurds. But following reports of separatist stirrings pressure is now mounting to impose martial law on at least some of the 7m Kurds. The subject of martial law extension will be taken up by Parliament next week.

Officials in Ankara appear to be getting increasingly worried about groups agitating for independence of the Kurds in S.E. Turkey.

The Kurdish east is very poor, posing economic problems which Ankara in its dire economic straits, cannot solve. If martial law is to be imposed here the Turkish Army will have to be very careful that it does not lead to an uprising.

"There is a cancerous tumour in the east," pointed out a Turkish observer. "The point is that we should use a scalpel and not a meat axe to get rid of it."



Astray Ashwood

there was general hope, both in Turkey and in the West, that the Social Democratic poet would give the country the strong leadership and direction it had been lacking for almost a decade.

But Mr. Ecevit failed to live up to expectations. The popular support he enjoyed in his first months in power was so great that he could have got away with almost anything. But instead of showing determination he has vacillated and instead of attacking the problems he inherited he has allowed himself to be besieged by them.

In the areas of law and order and the economy, Mr. Ecevit's

their lives in political assassinations, massacres and riots.

The revolt of the six Ministers was symptomatic of wider discontent among the financial and industrial community of Istanbul who earlier were among Mr. Ecevit's most enthusiastic supporters.

What happens now? Mr. Demirel, the main opposition party leader, was overjoyed with the revolt, which he apparently knew about in advance. "The Government is on its death bed," he declared. "It will not be able to raise its head from the pillow." But it is questionable whether Mr. Demirel at present wishes to

and give Mr. Ecevit enough rope to hang himself.

The six rebellious Ministers, therefore, have nowhere to go except into political oblivion if they bring down the Government. Their bargaining position considerably enhanced, they will probably be prepared to hang on for the time being, having made their point and prepared the moral grounds for resigning at any time.

The six obviously want Mr. Ecevit to follow more Right-wing policies. They want him to be more obedient to the IMF, less flirtatious with the Soviets and the non-aligned bloc, and more lenient towards private

## 99.95% Egyptian vote for treaty

BY ROGER MATTHEWS IN CAIRO

PRESIDENT ANWAR SADAT has won the approval of 99.95 per cent of Egyptians who voted in Thursday's national referendum on the peace treaty with Israel. It was announced yesterday. Only 5,246 people out of the 9.92m that are said to have gone to the polls voted "No."

Only a fractionally smaller percentage gave their backing to the second referendum question which proposed the dissolution of Parliament.

fresh general elections, greater freedom to form political parties and the formation of a second parliamentary-style consultative body. On this question the voting was 99.9 per cent in favour, with just 10,217 people opposed. Turnout was said to be over 9.5m from an electorate of 10.5m.

The results had been confidently predicted beforehand and even before all the votes had been counted, one Cairo newspaper reported that in

some areas the "Yes" vote had been 100 per cent.

There had been no constitutional requirement for the referendum to be held before next Wednesday's ceremony when the treaty instruments of ratification are exchanged with Israel, but the results will undoubtedly be presented by President Sadat as an overwhelming popular answer to those critics of the treaty within and outside the Arab world.

## 'Free Lebanon' appeal to UN

BY IHSAN HJAZI IN BEIRUT

MAJOR SAAD HADDAD, commander of the Christian Militias in southern Lebanon, stated yesterday that his secessionist movement does not intend to change the Lebanese flag or form a Government.

"Our military council has been carrying out the functions of a government," he said in a statement carried here yesterday by the leading daily An-Nahar.

The council is formed of Maj. Haddad and other militia commanders. It has been running the affairs of the enclave which Maj. Haddad on Wednesday proclaimed as a separate entity from Beirut.

He said inhabitants in the enclave will retain their Lebanese identity cards but the words "free Lebanon" will be added to them.

Major Haddad called for the resignation of President Elias

Sarkis, declared Lebanese Parliament illegal, and said he has sent a letter to the United Nations saying that Mr. Ghassan Tueni, the Lebanese ambassador there, no longer represented Lebanon.

The 39-year-old Maj. Haddad said he intended to "liberate" the rest of Lebanon, but no one here is taking him seriously.

His secession, however, has caused worry in Government quarters, and there is sympathy and support for him in the rest of the predominantly Christian parts of Lebanon.

A court martial is expected to begin hearings against Maj. Haddad next week after the military prosecutor charged him with high treason. It is doubtful, however, that Lebanese authorities will ever be able to lay hands on him.

Maj. Haddad's militias have made it clear they are still part

of the Maronite Christian alliance known as the "Lebanese Front." The Front is headed by former President Camille Chamoun and includes Mr. Pierre Gemayel, the leader of the Phalange party which commands the largest Christian militia in the country.

Major Haddad's "military council" had sent a strongly worded message to the headquarters of the United Nations peace-keeping force at Naqoura threatening to mount guerrilla warfare against United Nations and Lebanese troops now stationed in the south if they dared enter the Christian enclave.

The militiamen are reported by United Nations officials here to have eased their siege of Naqoura. The sources said the Israeli border is still open to United Nations personnel wishing to go to Israel.



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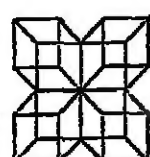
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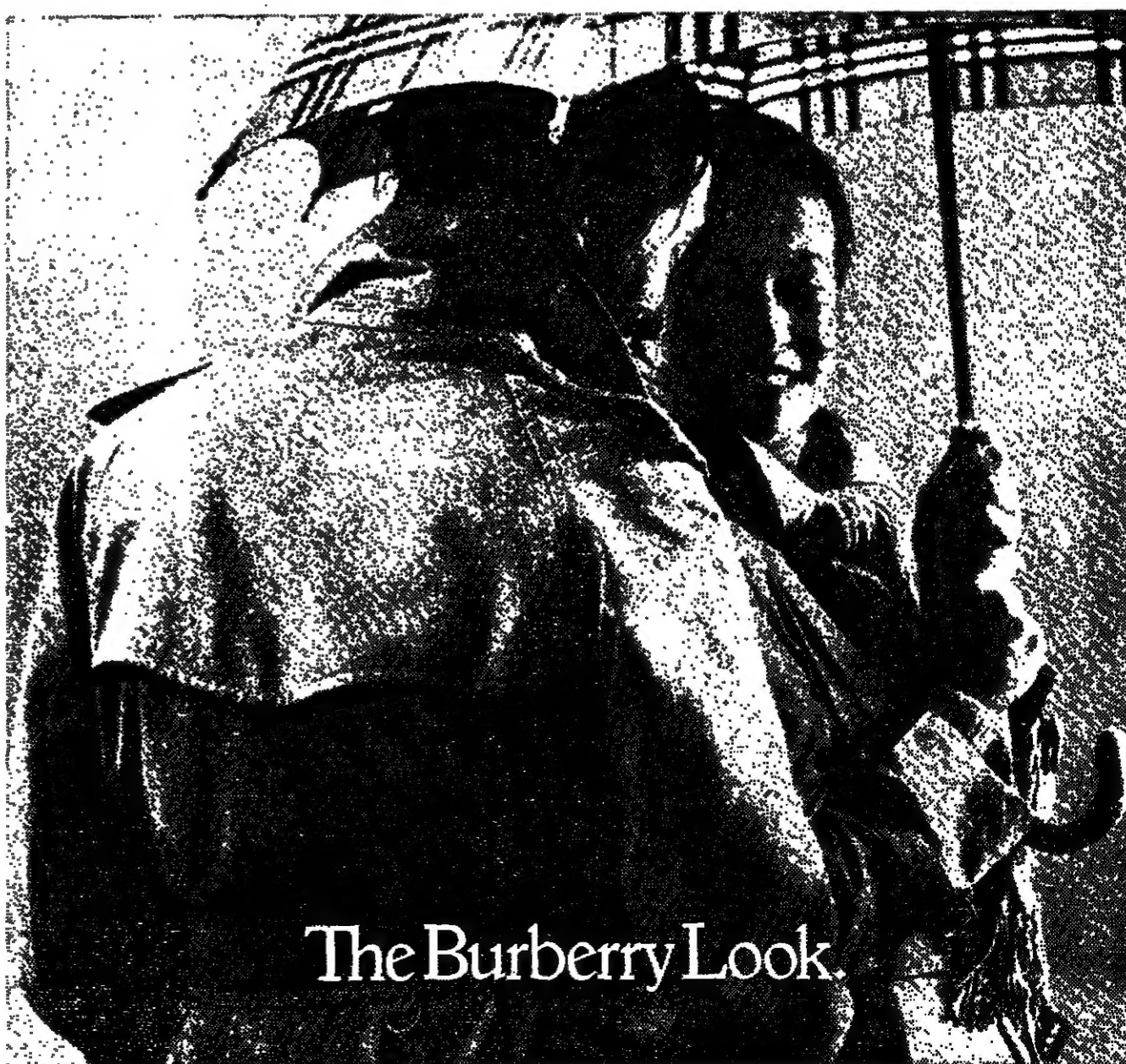
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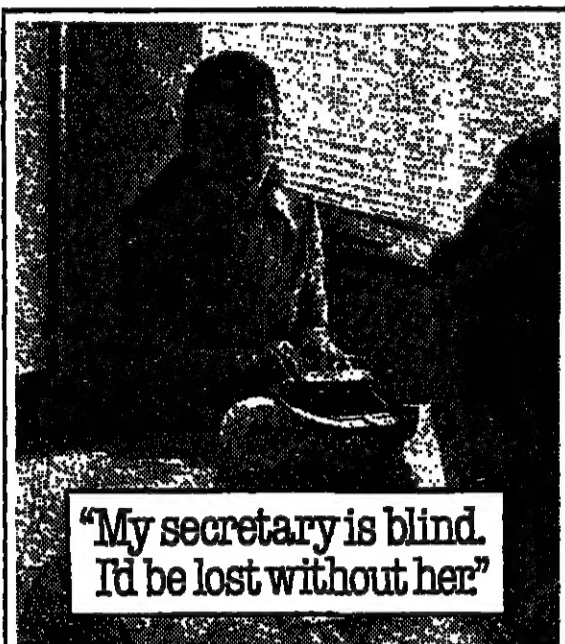
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## UK NEWS

# Concorde reaches the end of its £792m runway

BY LYNTON MCILAIN

THERE WERE few tears at Filton, Bristol, yesterday as the last Concorde airliner rolled down the British Aerospace runway for its maiden flight.

The sleek supersonic product of Anglo-French engineering took to the air at 1.50 pm, a decade and 11 days after the first British prototype lifted off in a blaze of publicity, outrage at the expense and optimism about orders.

The orders have been confined to British Airways and Air France, the state-owned airlines of the producing countries, and the optimism

has evaporated. But the recent fears that the rundown in the Concorde programme would create a deluge of redundant aerospace workers have not been realised in quite those harsh terms.

The Concorde factories at Filton are now busy with non-Concorde work. The workforce has been slimmed largely by natural wastage from the 6,500 employed at the peak of Concorde production to 4,200.

The aerospace workers helped to build 16 Concordes in partnership with Aero-spaciale of France over the 10-year life of the programme.

Nine of the aircraft are in airline service, three remain unsold in France, and there are two at Filton, including the last model which flew yesterday, and is destined for British Airways.

The other Concorde will go either to British Airways or British Caledonian Airways, which has recently appointed a manager of Concorde operations.

British Aerospace and Aero-spaciale also have one Concorde each for development purposes.

These have been used for testing ideas for improving the aircraft's efficiency.

Development will continue to provide some work for the Filton factories, but the main activities are now based on sub-contract work for other British Aerospace factories or for overseas companies.

A night shift has been started to cope with the programme to convert VC-10 airliners to air refuelling tankers for the RAF and to meet the demands of other sub-contract work.

Filton workers are also engaged on maintenance for F111 aircraft of the U.S. Air Force, on machining for the F16 fighter programme for a consortium of European

countries, and on design work for the wing of the A310 Airbus. The British Aerospace 146 airliner and the Tornado fighter.

Filton is also to be the production base for the centre sections of the 146 fuselage and is already producing the rear fuselage for the 1-11 airliner.

British Aerospace would not give the value of the work in hand, but it is certain to fall far short of that involved in Concorde production.

The Industry Department, which funded the Concorde project, said yesterday that the net cost to the British

Government of Concorde development and production was £792m to the end of last December.

The total bill for France and Britain was £1,137m, of which development had cost Britain £53m. Another £48m of development money was expected to be spent by Britain to the end of the project, but no date was given.

The production cost to Britain of the 16 aircraft totalled £455m up to the end of last year. This had been reduced by receipts of £130m from sales to British Airways.

## Uranium pledge to Orkney

FURTHER tests would be needed before the EEC could decide if uranium mining could go ahead in Orkney with public agreement, it was revealed yesterday.

The assurance was given by Mr. Guido Brunner, the EEC Energy Commissioner, in a letter to Mr. Charles Donaldson, Conservative candidate for Orkney and Shetland, after public protests against the plan.

Uranium mining and even tests drillings have been strongly opposed by the Orkney Islands Council, and there was a big anti-uranium demonstration in Kirkwall.

Mr. Brunner's letter says: "It is not known whether there is any real uranium potential in Orkney. The proposed programme was limited to a number of mere exploratory drillings which could not have any real environmental impact. Obviously, this is a long way from proposing uranium mining."

"More exploratory drilling would still be required to establish whether the uranium in Orkney was in economically attractive quantities."

"Only in this stage were to prove positive would it be appropriate to evaluate whether uranium mining would make sense and could be carried out in a manner consistent with local public interest and environmental considerations."

"The results of the suggested evaluation would also be valuable in advancing knowledge of this type of geological environment for evaluating uranium occurrences elsewhere in the Community."

## Tax cuts sought to ease Mersey jobs decline

BY RHYS DAVID, NORTHERN CORRESPONDENT

MERSEYSIDE'S unemployment problem should be tackled by exempting smaller companies from tax on the first £20,000 of profits, provided these were retained for investment in the business, Mr. Richard De Zouche, chairman of the Merseyside Chamber of Commerce and Industry said in Liverpool yesterday.

He was addressing the chamber's annual meeting only a day after the closure of

Dunlop's Speke factory and the loss of another 2,400 jobs in the area.

Mr. De Zouche, whose members employ about two thirds of the 600,000 people at work in the Merseyside area, also called for a halt to the proliferation of bodies seeking to solve the area's problems. There should be one centralised agency to organise and co-ordinate industrial development, he said.

He appealed to whichever party won the election to avoid rushing in with new legislation and allow industry a period of stability. "Many of our problems arise from hasty legislation which has subsequently to be undone. The scrapping and re-instatement of successive prices and incomes policies is a case in point and we face a similar problem of ideology in the case of the National Enterprise Board," he said.

In a warning directed at the Conservatives however, he said the NEB was doing a worthwhile job on Merseyside and its functions should not be lightly reduced or replaced.

Despite a record loss of 14,300 jobs in the area last year, it was not unrealistic to hope that the worst problems were now over. Unemployment, despite these losses, had remained at about 11 per cent for the past two years, reflecting new jobs created elsewhere in the local economy.

Most redundancies had been in companies affected by changes in market demand and technology, or where there was no traditional commitment to Merseyside. Management and labour in the area would need to ensure, however, that unit costs on Merseyside were comparable with other parts of the UK.

## Sea wall starts

WORK WILL begin this summer on a £51m scheme to improve the sea wall along nine miles of coast between Hapburg and Winterton, Norfolk, to protect Norfolk Broads from salt water.

## Industry 'should pay young designers more'

FINANCIAL TIMES REPORTER

INDUSTRY in the UK should be prepared to pay good salaries to its young designers who have "good ideas and are a good long-term risk," Mr. David Carter told the Royal Society of Arts in London.

Mr. Carter, a former president of the Society of Industrial Artists and chairman and director of DCA Associates, was speaking at the opening of an exhibition of the winning and commended designs in the 1978-79 Royal Society of Arts Design Bursaries Competition.

Eighty-four students from colleges throughout the UK have been awarded bursaries totalling £39,350 in this year's competition.

Mr. Carter advised industry to take a careful look at the exhibition, and said students should be "snapped up" before

they went abroad to work.

"These students are not fully-fledged designers, but they have good ideas and, speaking in commercial terms, are a good long-term risk."

"Don't be mean about the money that is paid for design. Be prepared to pay young designers a good salary. They will be worth it."

In the same vein, he urged design students to consider seriously a career in industry rather than in teaching or research. "Industry needs you whether you know it or not. Working in industry can be fun."

More than 1,440 students competed. They submitted designs as diverse as discotheque footwear and a British Rail interchange information display system. Sponsorship for the awards came from industry.

## Drugs deal opens link with Japan

By Maurice Samuelson

RECKITT & COLMAN, whose pharmaceuticals division last year accounted for one-tenth of its total sales of £800m, hopes to break into the Japanese market as a result of a joint venture with Otsuka Pharmaceutical, Japan's fifth largest maker of medical goods.

The two companies have signed a letter of intent covering joint ventures in Japan, the UK and the Irish Republic. Initially it covers only marketing, but it could eventually lead to manufacture of each other's products.

Reckitt produces Temgesic, a very strong analgesic used in hospitals, and Pleneac, an anti-arthritis pill available on prescription. Japan is traditionally cautious about authorising the use of foreign drugs and it could be four or five years before they could be used there.

Otsuka, an important supplier to hospitals, is the latest of a series of foreign companies with which Reckitt has made marketing or distribution arrangements.

## Royal Charter

A Royal Charter has been granted to the Institute of Biology, founded in 1950.

## New glazing code attacked

BY RHYS DAVID

A DISPUTE over safety standards is threatened within Britain's £50m-a-year glazed patio door industry following the publication earlier this month by the British Standards Institution of a new draft code of practice for glazing.

The draft code makes certain changes to a code dating back in its present form to 1966 and amended in 1976, but according to some glass manufacturing interests it continues to sanction the use of types and thicknesses of glass which present an unacceptable degree of accident risk in the home.

The code is now up for comment and may be changed in the light of representations. It is likely to be defended in its present form, however, by other interested parties from the building trade, including the manufacturers of the glazed units. They argue that unless any higher standard is made mandatory by legislation, companies adopting it will be put at a commercial disadvantage. The Government is reluctant to change its building regulations on the grounds that higher glazing standards would show no cost benefit.

The 1966 code was drawn up before the boom in patio doors and recommended safety standards which were beyond the capacity of the UK industry to meet. The 1976 amendment was designed therefore to introduce realistic safety standards which the industry was capable of meeting," Mr. John Weir of the Glass and Glazing Federation points out.

There has been substantial investment in safety glass recently and the federation's own standards committee has recommended that the esti-

mated 100,000 new patio doors installed annually in homes in Britain should be glazed only in safety materials. But to the disappointment of safety glass manufacturers, the new draft code has not matched the increased availability of these materials with a recommendation of substantially higher standards.

Mr. Gordon Bennett, managing director of Alcan Safety Glass, one of the companies leading the campaign to stiffen the draft, said yesterday there was a danger that an important opportunity to improve safety in the home was being missed. Britain was also falling behind other advanced countries in the standards it was setting.

To support its case for substantial improvements to the draft, Alcan Safety Glass has commissioned a report from independent testing consultants, R. H. Harry Stanger, of Elstree, Herts.

The committee responded to this judgement with an amendment which lowered standards, removing a recommendation that only safety (toughened or laminated) glass should be used in domestic buildings, and sanctioning the use of ordinary annealed glass. The amendment also increased the safe maximum area for the use of 6mm thick annealed glass from 0.7 to 2.5 square metres.

"The 1966 code was drawn up before the boom in patio doors and recommended safety standards which were beyond the capacity of the UK industry to meet. The 1976 amendment was designed therefore to introduce realistic safety standards which the industry was capable of meeting," Mr. John Weir of the Glass and Glazing Federation points out.

There has been substantial investment in safety glass recently and the federation's own standards committee has recommended that the esti-

## Data challenged

This challenges the scientific evidence behind the 1976 amendment and the broadly similar new proposals. It claims that the figures appear to have been compiled not from known practical or theoretical data but on the basis that they represented the best compromise between the desire for reasonable safety standards and the availability of suitable material.

The committee which pro-

duced the draft consists of a variety of interests including glass and window manufacturers, architects, surveyors, and the department of the environment.

The BSI has so far reacted to criticism by pointing out that it has extended the period for comment on the new draft until the end of June. Its quality assurance department indicated two years ago, however, that it would not feel able to offer a kitemark for a new standard on patio doors if it allowed the use of 6mm annealed glass, as tests had shown this to be unsafe.

At the same time, one of the parties on the committee which has drawn up the new draft, the Aluminium Windows Association, has made it clear that it is likely to put forward both technical and commercial objections to any substantial increases in the standard.

"Your concern is that while our members would be prepared to conform to higher standards other companies may not do so. Any change must therefore be made mandatory by government," said Mr. Stanley Armdon, director of the association.

The association also pointed out that while annealed and laminated glass can be cut to size by glaziers, toughened glass is the cheaper of the two forms of safety glass — has to be cut before heat treatment for toughening. Thus there might still be availability problems in a market which demands instant supply from stock.

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## UK NEWS

## Building societies' chief predicts 20% rise in house prices

BY MICHAEL CASSELL

HOUSE PRICES could rise by up to 20 per cent this year, according to Mr. Ralph Stow, chairman of the Building Societies Association.

His remarks, made in London yesterday, add to other suggestions by several major building societies that prices in 1979 seem set to rise faster than had earlier been anticipated.

Original calculations, on which most societies seemed to agree, forecast average price rises this year at around 10 to 15 per cent. Last year, they increased by between 25 and 30 per cent, despite Government attempts to dampen the market by calling for building society lending restrictions.

Most societies believed, however, that the sharp increases recorded last year represented a natural adjustment in the market—in which house prices were re-establishing their traditional relationship with incomes.

While it seems unlikely that last year's events will be repeated in 1979, increases could, nevertheless be substantial.

Figures for the first quarter of 1979 suggest that average prices rose by around 5 per cent, a 1 per cent fall from the last three months of 1978 but a repeat of the increase recorded in the same period a year earlier.

Mr. Stow said the predicted increases now being made were related to an estimated 12 per cent rise in earnings, although any further increase would clearly have implications for the housing market.

Another factor militating against price stabilisation is likely to be the very low level of new house building now

underway. Builders, faced with high interest rates, land supply problems and mortgage uncertainties, have again cut construction programmes and though this will have little short-term effect on prices, the poor supply position at a time of record demand will not improve the underlying price trend.

If prices begin to accelerate even faster, the government of the day may again intervene and restrict mortgage lending.

## Computer will give FT more share indices

THE Financial Times is to buy another LSI-11-based micro-computer system from Dicoil Electronics of Basingstoke, to increase computer capacity so that additional share price information can be calculated and published.

The Dicoil system, which sells at £7,800, is identical to the two recently installed at the Financial Times' Frankfurt printers to process Wall Street price tables.

Mr. Ian Craig, Financial Times computer services manager, said: "We currently calculate the equity groups and sub-sections fixed interest price indices and fixed interest yields, but don't do the debentures and preference indices."

"This may represent only a few extra lines in the paper but the calculation work required is extensive and fairly heavy in terms of computer core and time used."

## Ariel future in doubt as members resign

BY CHRISTINE MOIR

THE FUTURE of Ariel, the computer share dealing system set up by the accepting houses as an alternative to the Stock Exchange, is threatened by a dwindling number of subscribers.

Members are continuing to depart despite imminent plans to overhaul the entire service structure to make it more appealing.

At its peak Ariel had over 60 subscribers. Now the number is down to about 40 and yesterday the investment managers of the Stock Exchange, is threatened by a dwindling number of subscribers.

Their departure will go ahead despite plans to introduce a more confidential dealing system after the General Election.

Under the existing system, subscribers broadcast their dealing position on TV circuits linked to other members. They then negotiate directly if there is a response. But if there is not, the entire system becomes

aware of the subscriber's unfilled hopes.

Mr. Garry Arnott, the new director-general of Ariel, is now proposing a "matchmaker" system under which Ariel itself would broadcast a list of popular stocks each morning. Subscribers would then indicate to Ariel which way they wished to deal and Ariel would seek a match.

In addition, the system is to take on a minor jobbers' function under a new "callover" system. Subscribers will broadcast without disclosing quantity or price. Ariel will open a temporary book in the stocks and, after judging the response, will strike a price and tell subscribers how much they have bought and sold.

As a further attraction Ariel's commission charges are to be changed. In place of a flat 0.5 per cent fee, popular stocks will incur a 1 per cent fee and the remainder will be charged at 1 per cent. There will be cash discounts for big

users—up to a 90 per cent discount on fees over £1,500.

But a canvas of fund managers suggested the new dealing system and the cash incentives would be insufficient to get Ariel back on the growth path.

The most common opinion was that the "matchmaker" and "callover" system did not overcome Ariel's intrinsic weakness.

As one fund manager said: "When I want to shift money, I want to be sure of finding a market. Under Ariel, I am not."

The new dealing systems would not make any particular difference to the service which suffered from being too narrow. One factor which might have made Ariel attractive would be the introduction of gifts dealing. Without a much wider market, several fund managers considered that Ariel wasted management time.

One manager said Ariel had merely confirmed his belief in the efficiency of the jobbers' role in the securities market.

## Two Ford staff paid £65,000

BY TIM DICKSON

FORD MOTOR COMPANY'S two most highly paid employees in the UK last year earned between £62,501 and £65,000—and one of them was not a director.

The company's annual report, released yesterday, discloses that one employee, also not a director, earned between £62,501 and £65,000; 70 non-director employees earned £17,501 to £20,000 and 171 between £15,001 and £17,500. A total of 2,231 employees, none on the company's main board, received more than £10,000.

Ford's total wage bill last year was £355m, shared between about 74,000 employees wholly or mainly employed in the UK.

Last night Ford said it was company policy not to identify individuals in relation to their earnings. The employee who was not a director earning between £62,501 and £65,000 "carried greater executive responsibility, including European responsibilities, than most board members."

The emoluments of Sir Terence Beckett, chairman and managing director of Ford of Britain, were £76,431, a rise of 38.4 per cent on his £54,523 earnings in 1977. His salary is related to the previous year's profit levels so in 1976, for example, his pay was cut by £7,000.

## Probe urged on cadmium 'poisoning'

By James McDonald

METAL POISONING has caused irreversible kidney damage to some villagers at Shipham, Somerset, who live near old zinc mine workings, it is stated in an article in The Lancet today.

The authors, Dr. Malcolm Carruthers and Mr. Brian Smith, of the Maudsley Hospital, Denmark Hill, who examined several Shipham residents, have called for an urgent investigation and advised the villagers to stop eating home-grown vegetables.

The problem, they say, is caused by high levels of cadmium in the soil, a leftover from zinc mining. This toxic metal has been absorbed by vegetables and passed into the residents' bodies.

The authors found that 22 of the 31 residents tested had raised blood-cadmium levels. High levels of the poison were detected in the liver, and there was evidence of "mild to moderate kidney damage."

## BNOC must buy rig—Benn

BY LYNTON McLAINE

MR. Anthony Wedgwood Benn, the Energy Secretary, has ordered the British National Oil Corporation to start final talks with Marathon Shipbuilders for a £12m drilling rig, one week before the Clyde yard runs out of work.

This is the second time Mr. Benn has forced the state owned corporation to order a rig from Marathon.

The first rig was sold to Petro Drilling as BNOC had no use for it.

Mr. Benn's new move comes two weeks after the Scottish Office agreed in principle to subsidise the building of a second rig for BNOC. The corporation has insisted since talks started that it would not pay more than £11m for the new rig, at least £1m below Marathon's quoted production cost.

Mr. Ian Clark, a director of the corporation, said after talks with Marathon collapsed in February: "The corporation has instructions from Parliament to

act on a commercial basis. If anyone wants us to go beyond that we would have to have new instructions."

Mr. Benn issued these yesterday, publishing a specific direction under section 4 (1) of the Petroleum and Submarine Pipelines Act, 1975, that BNOC "enter into the necessary arrangements to conclude the contract" with Marathon.

The corporation will set up a joint company with the Scottish Office to buy the rig.

## NEWS ANALYSIS—A NEW ERA FOR LAGER

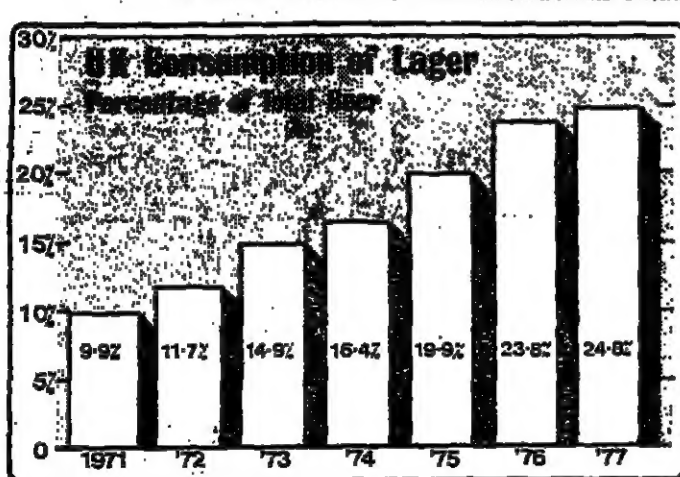
## How Harp became good for Guinness

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE RESTRUCTURING of the Harp lager consortium announced yesterday virtually ends a unique two-decade-old partnership between three of the major brewers which paved the way for the phenomenal lager boom in the 1970s.

Lager has changed from being a pricey Continental, and somewhat effeminate drink consumed by a few, into a drink taken by one in four beer drinkers. Some market forecasts suggest that over the next two decades, lager will replace the traditional British beer and dominate the UK beer market. Other forecasts are more conservative—but even these suggest that lager will soon account for between a third and a half of all beer sales.

Yet the decision to end the consortium, dominated by Guinness, Courage, and Scottish and Newcastle, ironically comes partly as a result of Harp's success in a fast-growing market. It appears that both Courage and Scottish and Newcastle felt they could benefit more from the lager boom by freeing them-



selves from the financial and marketing restraints imposed by the consortium. Both brewers have successfully launched their own lager brands within the past few years.

Under the new arrangements, the brewers will continue to brew and market Harp lager but under a franchise from the

new Guinness-dominated consortium.

Both Courage and S and N seem to believe that this will prove of greater financial benefit than the existing consortium's financial arrangements, whereby brewers are given a rebate for Harp sales as well as a share of the profits.

While all parties to the consortium are taking great pains to emphasise that the restructuring does not really mean the break-up of the consortium in that both Courage and S and N would still brew and market Harp lager, there is little doubt that the structure developed for nearly 20 years has been radically altered.

The Harp consortium was initiated in 1960 by Guinness as an attempt to diversify away from its traditional stout while staying within the beer market. Guinness felt that a launch of another beer, or an attempt to build up a chain of outlets in the UK, may well have antagonised its main customers—the other brewery companies who sold Guinness stouts in their public houses.

Guinness decided on launching a lager which at that time had virtually no demand in the UK but which could eventually become more popular. Lager has been brewed in the UK since late last century, yet its share of the beer market had remained at less than half a per cent for decades, while in most other countries it was the most popular beer.

But because of the uncertain future for lager in the UK, Guinness decided to involve British brewers, who would then have a vested interest in promoting lager sales in their outlets.

Initially, Guinness held some 50 per cent of the equity, with Courage and S & N each holding 25 per cent and Bass Charrington 5 per cent. Bass, however, decided at an early stage to develop its own lagers, so it sold its stake to Courage and S & N, bringing their stakes up to a quarter each.

This arrangement worked well for most of the '60s, but the emergence of the lager boom in the early '70s prompted Courage and S & N to seek an equal shareholding with Guinness. Guinness sold some of its shares to both companies, thus giving all three brewers a third of Harp each. In the mid-70s, their holdings were slightly reduced to allow the Greene King and Wolverhampton and Dudley brewers each to acquire a 2 per cent holding.

Under the financial arrangement, Harp's profits are split equally with half paid out in dividends and the other half in the form of sales rebates paid in proportion to sales made.

In its last financial year, the consortium achieved sales of £84.7m and produced distributed profits of £5.6m and a rebate of £4.8m.

Mr. Colin Mitchell, the respected brewery analyst from stockbrokers Buchanister and Moore, suggests that this financial arrangement may have led to conflict with the consortium. "A shareholder selling proportionately more than another might feel that the rebate element should be higher and the pre-tax profits lower, while the reverse might apply with a shareholder selling proportionately less than another," he says.

In the mid-70s lager was growing at a compound rate of 25 per cent a year and really took off following the hot summer of 1976. Lager is seen by consumers as a more refreshing,

cooler, less bitter drink—and less likely to cause a hang-over. In addition, lager has proved especially popular for women and young people.

Lager accounts for almost 27 per cent of all beer consumed but the question that most concerns the brewers is how far the growth will continue. In the past two years, lager sales have not maintained the same growth rate as in the heyday of the early 1970s—but conflicting views remain as to whether this is a temporary lull or the beginning of a long-term slowdown in the growth trend.



## In the service of world health

The Wellcome Foundation Limited is honoured to receive the Queen's Award for Export Achievement 1979. Our exports of medical and veterinary pharmaceutical products and chemicals have doubled in the last four years, contributing to the improvements of health and hygiene, protecting man and animals, in all five continents. Exports from the U.K. amounted to £87 million. More than 85% of the Wellcome Group's total sales of £380 million are secured outside the United Kingdom. The total number employed in the U.K. is 7,000 and world-wide 19,000.

The distributed profits of the Group are applied by the sole shareholders, the Wellcome Trust, to support medical and veterinary research world-wide.



The Wellcome Foundation Limited  
The Wellcome Building 183 Euston Road London NW1 2BP

Wellcome



## Mothercare goes up to 10.9

In 1978 Mothercare Export Sales reached a record £10.9m. This is part of the continued and dramatic growth this aspect of our business has enjoyed over the last 10 years.

Mothercare-by-Post now exports through its catalogue to 130 countries worldwide and we have Mothercare stores in eight countries in Western Europe as well as in the United States of America.

Mothercare



THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT

1979



# The Queen's Awards

## FOR EXPORTS AND TECHNOLOGY

### AWARDS FOR Export Achievement

#### Aluminium Wire & Cable Co.

THE COMPANY manufactures aluminium rod and wire for electrical and general engineering applications. Bare stranded aluminium conductors are produced for overhead transmission and distribution lines.

#### Aquascutum & Associated Companies

WELL KNOWN manufacturer and distributor of high quality clothing for men and women. Aquascutum exports to 42 countries—all those to which exports are permitted.

#### Badger

A SUBSIDIARY of the Badger Company of the U.S., the company provides process and project evaluation, design, engineering, procurement and construction supervisory services connected with the international oil refining, petrochemical and fertiliser industries. The company does business in Western Europe, the Middle East, Africa and Eastern Europe.

#### Barcrest

THIS COMPANY, a subsidiary of Bass, manufactures microprocessor-based gaming and amusement machines. It exports to the Netherlands, Switzerland and Austria.

#### Baxters Scottish Game

THIS SMALL company prepares, freezes and markets Scottish game products, principally deer carcasses, venison, grouse, pheasants and hares. Markets include West Germany, Norway, Austria and Denmark.

#### Beanstalk Shelving

THE COMPANY makes steel display shelving for shops and exports to Europe, Scandinavia and the Middle East.

#### Beecham Products Overseas Branch

BEECHAM PRODUCTS Overseas, engaged in the export of toiletries, proprietary medicines, health and soft drinks is a branch of Beecham Group. Main export markets are the Near East, Middle East, Europe, North Africa, North America and the Caribbean.

#### Bermans & Nathans

AN OLD established company of film, television and theatrical costumers and costume exhibition contractors.

The company, whose stock of hire costumes covers every period, exports to Germany, France, the Benelux countries, the U.S., Australia and Scandinavia.

#### Bertlin & Partners

CONSULTING ENGINEERS handling a wide range of civil engineering projects, particularly ports and harbours, docks, shipyards, coast protection, land development and reclamation, bridges, yacht harbours and structural engineering. Markets include Europe, Africa, India, the Middle East and Algeria.

#### Bonas Machine Co.

THE COMPANY designs and manufactures needle looms for making fabrics up to 220 mm wide, and also manufactures automatic diamond polishing machines. It exports to over 50 countries.

#### York Division of Borg-Warner

THIS DIVISION of Borg-Warner, a subsidiary of Borg-Warner Corporation of the U.S., manufactures air conditioning and refrigeration equipment. Export markets include Western Europe, South America, Australasia, Hong Kong, Mexico and the Middle East.

#### Stevenage-Bristol Division of the Dynamics Group of British Aerospace

THIS DIVISION of British Aerospace manufactures guided weapon systems and components and has achieved notable success with Swingfire and Rapier.

#### British Midland Airways

THIS COMPANY'S overseas earnings are from the leasing of aircraft complete with crews, ground handling and technical support plus marketing and training services where these are required. This "instant airline" service is used principally by emergent countries setting up their own flag carrying, airline and by international carriers in times of passenger capacity shortfalls.

#### British Smelter Constructions

THIS COMPANY is an engineering and contracting organisation specialising in the construction of aluminium smelters.

#### James Buchanan & Co.

THE COMPANY, a subsidiary of The Distillers Company, is a leading producer of a range of well-known Scotch whiskies, including Black and White and Buchanan's. Market coverage is worldwide to some 170 countries.

#### Burberrys

THIS COMPANY, a subsidiary of the Great Universal Stores, manufactures high quality men's and women's weather proof clothing and overcoats.

#### Cable & Wireless

AN INTERNATIONALLY known company whose overseas earnings are from the provision and operation of public and private telecommunications and the operation of a fleet of six cable-ships.

#### Catalytic International

THIS AMERICAN owned company is a process plant contractor concentrating on hydrocarbon, chemical, and associated process plant projects.

#### Fork Lift Truck Plant of Caterpillar Tractor Co.

THE LEICESTER plant of the Caterpillar Tractor Company, a subsidiary of the U.S. Caterpillar Tractor Company, manufactures a wide range of fork lift trucks tailored to the varied requirements of users. Markets are Europe, the Middle East, North Africa, Central and Southern Africa.

#### Church & Bramhall (Fencing)

THE COMPANY produces and sells steel fencing systems to the Middle East and other markets.

#### Concrete Utilities

THIS COMPANY, established in 1924, manufactures street lighting columns and masts made of steel and concrete and also footbridges, postboxes and other concrete products. Its export efforts are concentrated on the Middle East, Commonwealth countries and Portugal and for some large contracts the company provides, free of charge, supervision of the installation.

#### Coopers & Lybrand

COOPERS AND LYBRAND Associates, the management consultancy company of Chartered Accountants Coopers and Lybrand, provides a wide range of management and economic consultancy services to public and private sector clients in Europe, Africa, the Middle East, Asia, the Caribbean and South America.

#### Davy International (Oil & Chemicals)

THIS SUBSIDIARY of Davy Corcoran is an international contractor covering all stages of process plant design and construction in the oil and gas (onshore and offshore), chemicals, petrochemicals, monomers and plastics industries. Principal markets are in

Brazil, Iran, Iraq, Japan, Poland, Spain, Sweden, USSR and Qatar.

#### Dawson International

THE PARENT company of a number of subsidiaries which manufacture semi-processed textile raw materials, woollen yarns, fully fashioned knitwear, and women's tailored skirts. The group's products which are exported worldwide, include the brand names Pringle, Braemar, Ballantyne, Barrie, McGeorge and Glenmac.

#### Alan Dick & Co.

THIS SMALL company designs, makes and installs specialised steel structures for communications systems.

#### Edwards of Enfield

THIS SMALL company specialises in the design and production of handling equipment and automated systems for the aluminium and non-ferrous metal industries. Exports cover 30 countries.

#### Federal-Mogul Westwind Air Bearings

THE COMPANY manufactures precision air bearings spindles for grinding, drilling, routing and dicing applications for general industrial and electronic use.

#### GKN Kent Alloys

THE COMPANY makes aluminium alloy passenger car wheels for sales to Europe and the U.S.

#### Giltspur Precision Industries

THIS SMALL company manufactures industrial sewing machines for the fur, shoe, textile and mattress industries. The machines are of particularly robust construction and can survive in the most adverse conditions. Export markets include Greece and other European countries, USSR, South America and China.

#### Hughes International

THIS COMPANY manufactures buses and luxury coaches.

#### JCB Sales

THIS SALES and marketing company deals in a range of construction and materials handling equipment, mainly wheeled and tracked excavators and loaders. It exports to over 100 countries.

#### Lingarden

THIS IS the largest of the UK horticultural marketing co-operatives which markets and distributes the flowers and flower bulbs grown by co-operatives members. Despite strong home competition, the company exports to eight different European countries, including Holland.

#### Lipton Export

THE COMPANY'S primary activity is blending and packaging tea. It also markets coffee, instant drinks, herbal infusions, jams and soups.

#### Longman Group

A MEMBER of the Pearson Longman Group, this company is one of the largest UK educational publishers. School, university and professional books, medical books, books for learning English as a foreign language and journals are exported to all parts of the world.

#### MK Electric

THIS COMPANY manufactures plugs, sockets and wiring accessories for industrial, commercial and domestic purposes, exporting to a wide range of markets.

#### Confectionery Division of Mars

THIS DIVISION of Mars, a subsidiary of Mars Incorporated of the U.S., manufactures chocolate and sugar confectionery.

#### Mothercare

THIS WELL-KNOWN specialist retailer of merchandise for expectant mothers, and children up to 10 years also has an extensive export operation. It has retail and mail order subsidiaries in nine countries in Western Europe and the U.S. and direct mail order customers in 130 countries. The company is reputed to be Britain's largest mail order exporter.

#### Malberry Company

A SMALL FIRM, established in 1971, which manufactures fashion goods principally leather belts, bags and light luggage and fine tweed and leather jackets. It exports to Western Europe, North America, Japan, Australia and South Africa and has already established internationally a reputation for high quality, well designed products.

#### Pearce Duff & Co.

THE COMPANY is a well-known and old established manufacturer of jellies, custard and baking powders. It has been a consistent exporter for many years with markets covering more than 70 countries.

#### Portex

THIS COMPANY, a subsidiary of Smiths Industries, manufactures a wide range of plastic catheters and tubes for use in hospitals. Its exports are widespread.

#### Preece Cardew & Rider

A COMPANY whose overseas earnings are from the provision of consulting

engineering services in the fields of electrical, mechanical, nuclear, civil, telecommunications, desalination and inspection services. These services are marketed worldwide and particular efforts in the Middle East have resulted in substantial contracts for work in this area.

#### Pullman Kellogg Division Pullman Incorporated

THE DIVISION is responsible, through two companies in the UK, for the provision of a fully integrated engineering contracting service specialising in the engineering, design, procurement and construction of oil refineries, petrochemical and chemical plants.

#### Reckitt & Colman

THE PRINCIPAL activities of this company are the manufacture and sale of food, wine, household products, toiletries, pharmaceuticals, industrial and artists' materials and craft kits. The company's export activities, which are now on a world-wide basis, date back to the early 19th century.

#### Rolls-Royce

ROLLS-ROYCE is one of the three major aeroengine makers of the Western World and also makes engines for industrial and marine purposes.

#### Rose Forgrove

THIS COMPANY, a subsidiary of Baker Perkins Holdings, designs, manufactures and markets automatic packaging machinery for the bakery, biscuit, confectionery, tea, pharmaceutical and cosmetic industries. Exports are world-wide to some 90 countries.

#### Short Brothers

THE COMPANY makes aircraft (Skyvan and the Short 330 commuter aircraft), missile systems (Seacat, Tigercat and Blowpipe), aircraft components for Boeings and Lockheed, aero-engine parts and armoured patrol cars.

#### Smith Kline & French Laboratories

A SUBSIDIARY of Smith Kline Corporation, the company manufactures a wide range of ethical, proprietary and animal health medicines which are exported to 85 countries.

#### Solent Canners

A SOFTDRINK manufacturer, its principal brand VINTO, produced under licence, is becoming a leading soft drink in the Middle East against competition from well known international brands.

#### Tavern Furnishing

A SMALL company of contract furnishers and designers providing a "turn-key" package.



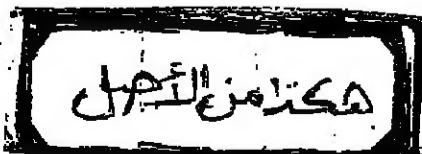
## SMITH KLINE & FRENCH LABORATORIES LIMITED

is proud to announce the receipt of

## THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT

This Award has been granted for the export performance of the Company in prescription, proprietary and animal health medicines. During the last three years our exports, now representing half our total United Kingdom production, rose by 350%, thus continuing a trend which has seen a twenty-fold increase since 1970.

We extend our thanks to all our employees, both in the United Kingdom and Overseas, who have made this Award possible.



**SK&F**  
a SmithKline company

SMITH KLINE & FRENCH LABORATORIES LIMITED Welwyn Garden City, Hertfordshire, England



# The Queen's Awards

CONTINUED

## AWARDS FOR Technological Achievement

**Schwitzer Division of Wallace Murray**  
THE COMPANY makes turbochargers which are exported worldwide.

**Ward Brothers (Sherburn)**  
THIS COMPANY manufactures pre-fabricated steel framed buildings which are exported to a wide range of markets.

**Westcountry Table Rabbits**  
THIS SMALL company breeds, processes and packs rabbits for meat, with pelts as a by-product. During the last three years exports to Belgium and France of meat and pelts have increased considerably.

**Wolfe Medical Publications**  
PUBLISHERS OF diagnostic medical and dental atlases for reference and teaching purposes, the company exports to most regions in several languages.

**BDH Chemicals, Royal Signals and University of Hull**  
BDH CHEMICALS gains the award jointly with the Solid State Physics and Devices Division of the Royal Signals and Radar Establishment and the Department of Chemistry University of Hull for their work in research, development and large scale commercial production of biphenyl liquid crystals, now taking an estimated 50 per cent of world markets.

**Decca Radar**  
THE AWARD is for development of the "Clearscan" marine radar technique. Clearscan automatically suppresses both sea and rain clutter and can also provide further enhancement of the radar picture by suppressing own receiver noise, brightening weak

**The Fawley Refinery of Esso Petroleum**  
THE AWARD is for development of techniques to enable NMP (N-methyl pyrrolidone) to replace the more toxic solvent phenol in its lube-oil extraction plant. After conversion, the plant showed an energy saving of 25 per cent and minor injuries to operators from solvent burns were eliminated.

**GEC Computers**  
THE COMPANY has developed computers to control multi-interactive processes providing software security and protection without sacrifice of operating speeds.

**The Pharmaceuticals Division of Imperial Chemical Industries**  
THE DIVISION gains the award for the development of the prostaglandin analogue cloprostenol to permit significant improvements in the productivity of livestock.

**Moore & Wright (Sheffield) and Patscentre International**  
THE AWARD goes jointly to Moore and Wright (Sheffield) and Patscentre International (Division of PA Management Consultants) for development of the Micro 2000 electronic digital micrometer. This represents a radical new design of a traditional engineering product in a package which is functional, aesthetically pleasing and competitively priced.

**The Mining Research & Development Establishment of the National Coal Board**  
THE ESTABLISHMENT gains the award for development of techniques for the measurement of harmful respirable dust by means of selective sampling in the MRE Gravimetric Dust Sampler.

**Nuclear Enterprises**  
NUCLEAR ENTERPRISES, a member of the EMI Group, has developed a radioimmunoassay counter which provides a sensitive means of measuring

the radioactive content of medical and biological samples. It employs an array of 18 matched detectors producing a sampling rate about 16 times as fast as conventional automated systems.

**Pfizer Research Division**  
THIS DIVISION of Pfizer, whose parent company is Pfizer of the U.S., gains the award for the development of Oxamniquine—a drug which acts specifically against the tropical disease caused by schistosoma mansoni, a worm parasite, responsible for a chronic, debilitating disease affecting at least 50m people in the Third World. Oxamniquine is now included in the World Health Organisation publication "Selection of Essential Drugs" 1977.

**Portex**  
THIS COMPANY, a subsidiary of Smiths Industries, gains the award for development of surgical and medical plastics products, in particular, endotracheal and tracheostomy tubes, anaesthetic and intensive care systems.

**Racal Communications**  
THE DEVELOPMENT of a range of high performance HF communications receivers gains the company the award. The receivers have a performance close

to theoretical limits in all aspects of performance and at the same time the design achieves compactness, versatility and user convenience. It contributes significantly to the improvement in reliability of HF radio communications.

**Rothwell Plant Breeders**  
THIS COMPANY, a wholly owned subsidiary of Shell Petroleum, gains the award for the development of an industrial system for breeding and evaluation of Spring Barley varieties. The most recent varieties show significant yield improvement coupled with good disease resistance and better quality for both feed and malt.

**The Talo Products and Processes Division of Tate & Lyle Engineering**  
THIS DIVISION gains the award for development of a process for removing impurities in sugar processing. The process represents a major advance in the refining of raw cane sugar. Since its introduction, it has been adopted in most new cane sugar refineries, and it is used in the production of one fifth of the world's refined cane sugar.

## AWARDS FOR EXPORT ACHIEVEMENT AND TECHNOLOGICAL ACHIEVEMENT

Company	Principal Products or Activity
Aerofill	Aerosol filling machinery
Agemaspark	Spark erosion machinery
Airwork Services	Aircraft support and maintenance
Allday Aluminium	Boatbuilding, general engineering
Aluminium Wire & Cable Co.	Aluminium rod and wire
Anglo Blackwells	Metal alloys
Aquasolium & Associated Companies	Quality clothing
Avalon Chemical Co.	Synthetic resin and adhesives
Badger	Construction supervisory services
Barcrest Ltd.	Gaming and amusement machines
Baxter Scottish Game	Frozen meat and game
Beensalk Shelving	Steel display shelving
Beecham Products Overseas Branch of Beechams Group	Toiletries, medicines, soft drinks
Bermans and Mathans	Theatrical costumers
Bertin and Partners	Consulting engineers
Biozyme Laboratories	Biochemicals
Bonitz Machine Co.	Needle looms, diamond polishing machines
The York Division of Borg-Warner	Air conditioning and refrigeration equipment
The Stearnage/Bristol Division of the Dynamics Group of British Aerospace	Guided weapon systems
British Midland Airways	Aircraft Leasing
British Smelter Constructors	Engineering
James Buchanan & Co.	Whisky
The Wholesale & Export Division of Burberry's	Weather proof clothing and overcoats
Cable & Wireless	Telecommunications
Camvac Holdings	Coating of plastic films and papers
Capper-Mell	Engineering
Catalytic International	Process plant contractor

The Fork Lift Truck Plant of Caterpillar Tractor Co.	Fork lift trucks
Church & Bramhall (Fencing)	Steel fencing
The Colchester Lathe Co.	Centre lathes
Concrete Utilities	Street lighting columns, concrete products
Coopers and Lybrand Associates	Management consultants
Croftfield Electronics	Electronic equipment for processing and control in graphic arts and printing
The Cummins Davenport Division of Cummins Engine Co.	Diesel engines
Davy International (Oil & Chemicals)	Petrochemicals plant design and construction
Dawson International	Knitwear and textiles
Alan Dick & Co.	Steel structures for communications systems
Edwards of Enfield	Handling equipment
Federal-Mogul Westwind Air Bearings	Precision air bearing spindles
Froude Engineering	Dynameters, engine test equipment
GKN Kent Alloys	Alloy car wheels
Giltspur Precision Industries	Industrial sewing machines
Haddow, Aird & Cramer	Lace, curtains, bedspreads, tablecloths
The Fabric Division of William Hollins & Co.	"Viyella" and "Clydella" textiles
Hughes International	Buses and coaches
IMI Norgren	Compressed air processing
The Pharmaceutical Division of Imperial Chemical Industries	Pharmaceuticals
J C B Sales	Construction and handling equipment
The Manufacturing Division of Kinloch Anderson	Effluent treatment plant
Lancy (Effluent Treatment)	Flowers and flower bulbs
Lingard	Tea blending and packaging
Lipton Export	Publishers of educational books
Longman Group	Plugs, sockets, wiring
MK Electric	Whisky
Macdonald Greenless	Electronic equipment
The Frimley Unit of Marconi Space & Defence Systems	Confectionery
The Confectionery Division of Mars	Textile equipment
Miller Wahlit	Diesel engines
Mirreles Blackstone (Stamford)	

Mothercare	Merchandise for children and expectant mothers
Mulberry Company (Design)	Fashion clothing and accessories
Murray Vernon	Dairy products
Nairn Floors	Floor coverings
Oversea Buyers	Technical engineering and hardware
Alan Paine	Knitwear
Pearce Duff & Co.	Jellies, custard and baking powders
Pillar Engineering Group	Light engineering
Plessey Radar	Radar
Portex	Plastic catheters and tubes
Posford Pavy and Partners	Consulting engineers
Jack Powles International Marine	Motor cruisers and yachts
Preese, Cardew and Rider	Consulting engineers
The Pullman Kellogg Division of Pullman Incorporated in the UK	Engineering contractors
The Radiochemical Centre	Radioactive isotopes
Reckitt and Colman	Food, wine, household products, toiletries
Renishaw Electrical	Probes for machine tool control
Martin Roberts	Steel and aluminium doors
Ralls-Royce	Engines
Rose Fargrove	Automatic packaging machines
Sales of Salsire Branch of Salsire (Salsire)	Woven worsted textiles
The Sea Products International Division of Seafaco	Shellfish
Sedgwick Forbes Bland Payne Group	Insurance brokers
Short Bros.	Aircraft
Silver Paint and Lacquer Co.	Paints, varnish, lacquers
Smith Kline & French Laboratories	Medicines
Solent Canners	Soft drinks
Soundcraft Electronics	Sound equipment
Stothert & Pitt	Handling equipment
Bernard Sunley & Sons	Building and civil engineering
Tavern Furnishing	Furnishings
Technicare International	Technical advisory services
Trunk Trailer Co.	Trailers
United Scientific Holdings	Precision mechanical equipment
VG Instruments	Instruments
Victory Insurance Co.	Reinsurance
The Schwitzer Division of Wallace Murray	Turbochargers

Ward Brothers (Sherburn)	Prefabricated steel framed buildings
Watermeyer, Legge, Piesold & Uhlmann	Civil engineering consultants
The Wellcome Foundation	Pharmaceuticals
West Country Table Rabbits	Rabbit meat and pelts
Woden Transformer Co.	Electrical switchgear
Wolfe Medical Publications	Medical and dental atlases

## Technological Achievement

BDH Chemicals: The Solid State Physics & Devices Division of The Royal Signals & Radar Establishment, Department of Chemistry, University of Hull	Joint award for development of biphenyl liquid crystals used in electronics
Decca Radar	"Clearscan" marine radar technique
The Fawley Refinery of Esso Petroleum Co.	Solvent for lube-oil extraction
GEC Computers	Computer software security system
Kearney & Trecker Marwin	Machining centres
The Pharmaceuticals Division of Imperial Chemical Industries	Prostaglandin used in animal breeding
The Electronic Materials Division of The Royal Signals & Radar Establishment, Ministry of Defence	Techniques for crystal growth
Moore & Wright (Sheffield); The Patscentre International Division of PA Management Consultants	Joint award for Micro 2000 electronic digital micrometer
The Mining Research & Development Establishment of the National Coal Board	Technique for measurement of harmful respirable dust
Nuclear Enterprises	Counter for measuring radioactive content of medical and biological samples
The Pfizer Central Research Division of Pfizer	"Oxamniquine" for treatment of Third World disease caused by schistosoma mansoni
The Optical Division of Chance-Pilkington, Pilkington Brothers	Spectacle lenses
Portex	Surgical and medical plastics
Racal Communications	HF communications receivers
Rothwell Plant Breeders	Spring Barley varieties
The Talo Products & Processes Division of Tate & Lyle Engineering	Process for removing impurities in sugar

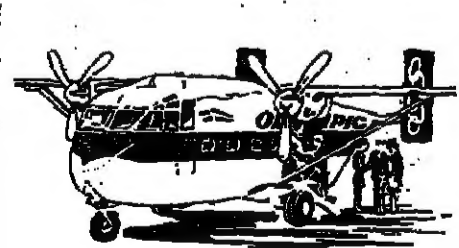


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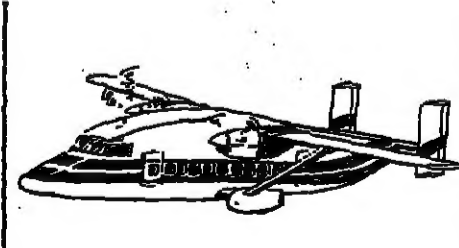
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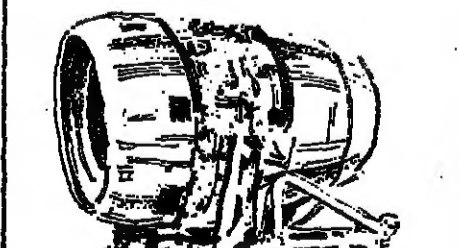
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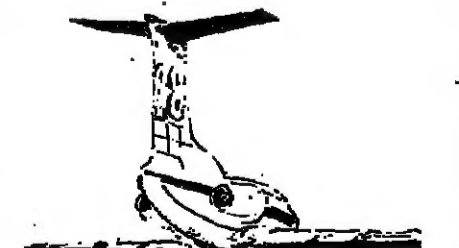
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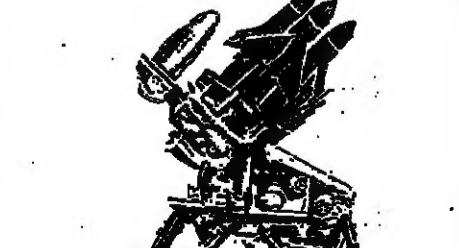
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## UK — ELECTION NEWS

## Colourful candidates try to soothe economic fears

BY NICHOLAS COLCHESTER

STUDENTS, ACADEMICS, workers, bosses and immigrants — the Birmingham constituency of Selly Oak has them all. It also features streets of Victorian grandeur, both crumbling and smart, council estates, both ancient and modern, planning blight, the model suburb of Bourville, a current industrial problem at nearby Longbridge and a one-time industrial solution at the Cadbury factory.

So the campaign in Selly Oak will not revolve around a local problem. This constituency's problems represent those of Birmingham and the industrial Midlands as a whole. The dominant theme there is the economic one. Local candidates will agree that people are worried about the fragility of Birmingham's prosperity. The City is not Merseyside yet — far from it — but behind the continuing problems of the motor industry looms the possibility that it might become one.

If Selly Oak is special case, it is because it is having to choose between a new and rather colourful selection of candidates. The last election at Selly Oak was a very close-run thing, so their personalities are important to the outcome this time. Of the three main candidates, Mr. Tom Litterick, the Labour incumbent, is the only one to have campaigned before. He fought the 1974 election as a largely unknown political quantity but has since emerged as an active and controversial left-wing backbencher and member of the Tribune Group.

Between 1955, when the constituency was created, and October 1974, Selly Oak was always Conservative. Then Tom Litterick achieved a swing to Labour that exceeded the national average and squeaked home by 326 votes.

The Conservative MP of the time, Mr. Harold Gurney, was getting on in years and was becoming increasingly hard-line

Conservative — too right wing, it would seem, for the mixture of voters in Selly Oak. Tom Litterick, who was a lecturer in industrial relations at the local Aston University emerged as a timely alternative.

But if he makes it this time, it will be a turn-up for the book. The Conservatives need a swing of less than half a per cent to take Selly Oak, or perhaps 2 per cent if an extra 3,000 voters in the new Hawkesley housing estate are taken into account.

The representatives elected by the constituency for local government are 100 per cent Conservative, so if the new Conservative candidate cannot break through there he may as well pack his bags.

He is Mr. Anthony Beaumont Dark, 46, and cuts rather a dash. He is a large and unashamedly prosperous stockbroker. When he walks he leads with his jaw, in front of which dangles an ever-present

pipe — a cartoonist's delight. When he drives, he is driven in a humble Range Rover because, Tom Litterick maintains, his peacock blue Rolls-Royce is being kept in the garage for the duration of the



campaign.

Mr. Dark is well equipped to bring Mrs. Thatcher's tidings of free enterprise to Selly Oak. He has had 20 years on local government and is now chairman of the finance committee of the West Midlands County

Council, with an annual budget of some £200m. He is partner of Smith Keen Barnett, an active firm of Midland stock-brokers.

His question is: "Where are the Cadburys, Lucas and Austins of today to employ Birmingham's skills?" His answer is that they will be provided by free enterprise and, in particular, by an end to discriminatory investment subsidies and Industrial Development Certificates that deflect entrepreneurs to other parts of the country.

The main problem that Mr. Dark must encounter in selling this creed is that the livelihood of a significant proportion of Selly Oak's voters is propped up by state subsidies to BL, formerly British Leyland. The Longbridge plant is only just next door and it supports an extensive motor components industry.

"People are wary about being free but deep down they

know they want to be free," Tony Dark explains delicately. Tom Litterick views this internal tug-of-war differently.

"It came as a great shock to working class Tories to realise that it was only the state that had saved their jobs," Tom Litterick, 50, is at first sight an unassuming figure and it is only when he states his convictions or makes speeches that he reveals the quiet rage inside him. He is a Labour MP of the Benn, Heffer, Rooker sort — "a rose who blossomed into a thorn," his Conservative opponent cruelly calls him.

He has had to endure a lot of publicity about a recent upheaval in his private life. He has made waves locally by being openly scathing of the Cadbury family whose "cradle-to-grave managerial care" he regards as a sort of paternalistic totalitarianism.

His chosen solution for Birmingham's unease about

jobs is squarely socialist — systematic intervention, selective import controls, and industrial democracy.

For the Liberals Selly Oak looks like a lost opportunity — it has the largest Liberal vote in Birmingham but the party has never really got itself organised there. The new candidate is a local of impeccable credentials — the retired president of the Selly Oak College for Further Education, the Rev. Paul Clifford.

He is confident that wide-spread disillusion with both main parties will greatly increase his share of the vote from the 7,350 the previous candidate pulled in last time. In particular, his canvassers report that the Labour vote will be very weak this time.

Law and order, immigration, membership of the EEC — these crop up as issues as the candidates make their rounds, but not in a way peculiar to Selly Oak. The chief concern there is with prosperity. One half of this worry is a sort of industrial



Mr. Tony Dark

nostalgia which Margaret Thatcher tapped this week as she toured the quaint Cadbury plant like a monarch and recalled the good old days in the other half concerns what to do next. The bewilderment and the disillusionment are great. But in Selly Oak all the evidence points to another crash at Conservative, if only because the Labour candidate takes socialism a little too literally for his own constituency. MONDAY: Plymouth

## Callaghan warns of taxes 'deception'

BY PHILIP RAWSTORNE

MR. JAMES CALLAGHAN last night bluntly accused the Conservatives of deceiving voters with their promises to cut income tax. Recognising the electoral appeal of the Tory pledge, he warned sternly that it could turn sour.

"What the Tories are offering is tax cuts and continuing price inflation," Mr. Callaghan told a party rally in Liverpool.

The Tories had not explained how they would finance the loss of revenue that would come from a reduction in income tax. "The truth is the Conservative promises of tax cuts would make millions of people worse off, if they raised Value Added Tax and other taxes to pay for it."

"It would mean higher tax on petrol, clothing, shoes, furniture, kitchen goods and hundreds of other household goods."

Income tax payers might be able to offer to pay higher prices if their tax was reduced, he said. "They would be receiving with one hand and paying out with the other."

But Mr. Callaghan demanded: "What about the pensioners, the sick, the lowest-paid workers,

who pay little or no income tax? "They would be faced with higher prices, just like everyone else, but where would the extra money come from for them to pay the higher prices?"

Mr. Callaghan said that a tax-cutting spree which sent prices soaring would benefit only the rich. "It is a good Tory policy," the broadest shoulders will bear the lightest burden."

He asserted: "The Conservatives are deceiving the electorate with this undertaking; they are making promises which they cannot keep."

No wonder, he scoffed, that the Tories wanted to abolish the Price Commission. "They would be the first to be prosecuted for false pretences."

The Tories were putting all their ripest and juiciest fruit on the front of their election stall to tempt the voters, Mr. Callaghan said.

Their hope was that buyers would not notice the sour fruit which would be served from the back of the stall.

The Tory barrow ought to bear a new slogan, he said. "Vote now, pay later."

Mr. Callaghan said the Tories had complained that Labour was trying to steal their clothes,

with its own undertaking to reduce the tax burden.

"But we don't need their second-hand clothes, we have a perfectly good wardrobe of our own."

The Labour Government had raised taxes in its first year "to pay the bills the Tories left behind." But in the past three years, income tax had been reduced five times by a total of more than £500m. The tax threshold had been increased by more than 50 per cent.

"What is more, these cuts have been made without any major increases in other taxes," Mr. Callaghan said.

Mr. Denis Healey, the Chancellor, had said that he would make further income tax cuts in his first budget after the election. They would be aimed at helping in particular people on low and average pay.

"As the Chancellor has said he can do it, it is not surprising that the Conservatives have said so, too," he added.

But, unlike the Tories, Labour was committed to keep inflation down, in order to make the tax cuts meaningful.

"Unless we cut price inflation as well, tax cuts will be undermined," Mr. Callaghan declared.

## BA staff insist on public ownership

SENIOR SHOP stewards representing the British Airways workforce at Heathrow yesterday warned the Conservatives against trying to hive off parts of the airline to private interests.

The 150 shop stewards gave notice at a private meeting that they would use all the means at their disposal to retain British Airways in public ownership.

This warning was contained in a motion passed with only one dissenter in the wake of reports that a Conservative Government would de-nationalise profitable parts of the airline.

Mr. Stanley Clinton Davis, Under-Secretary for Trade responsible for aviation, said, "The Tories have been told in the most unmistakable terms 'leave us alone — get lost'."

SOLUTIONS TO national problems would not work unless "they encompass plans to change the other two big parties," Mr. David Steel, the Liberal leader, said last night.

Speaking in his Roxburgh constituency, Mr. Steel said that both the Labour and Conservative parties believed that any idea put forward by one had to be opposed by the other.

THE Scottish National Party is not after all, to put up candidates in certain English marginal seats at this general election.

Mrs. Helen Davidson, the SNP campaign director, said in Edinburgh yesterday that the time was now too limited, and the Scottish campaign too hectic to carry through the suggestion, made on Thursday, of contesting English marginals.

ELECTION leaflets in four languages have been produced by Eric Bennett, Liberal candidate for Glasgow Kelvin, apart from English pamphlets, he has also had 500 written in the Gantonese, 1,000 in Punjabi and 1,000 in Hindustani.

The Cantonese leaflets will be delivered to the homes of the 500 Chinese voters in the constituency and the others will be distributed at mosques and temples.

DEMOLITION OF some inner city blocks of flats would have to be "seriously contemplated" as part of the drive to improve living standards on urban estates, Mr. Peter Shore, Environment Secretary, said last night.

Speaking on ITV, Mr. Shore said there was general agreement that tower blocks — 32 of which were owned by the GLC — were unsuitable for families with children. Some developments, however, were "so awful" that they had no future.

## Prior plan to 'galvanise moderate trade unionists'

BY IVOR OWEN

CONSERVATIVE PROPOSALS for reducing secondary picketing have the support of the majority of trade unionists in the country, Mr. James Prior, the Conservative employment spokesman, told the Conservative Press conference yesterday.

He based his claim on the results of market research. Mr. Prior hoped that the limited changes which it was proposed to make in the law governing trade unions would "galvanise" moderate trade union members into action.

Then, he said, it would be possible to prevent a repetition of the 1972 "debacle" when the picketing of the Salford coke depot in the Midlands ensured the success of the miners' strike.

But there was no question of going back to the 1971 Industrial Relations Act even though

he believed that "cooling off periods" — which featured in its provisions — had a useful part to play in improving industrial relations.

Apart from dealing with secondary picketing, the new legislation would provide free postage to encourage unions to hold secret ballots, and give workers dismissed from their jobs as a result of the "closed shop" a right of appeal to a court of law.

Cases brought in respect of "closed shop" dismissals would give the High Court an opportunity to award damages, if it was proved that a worker had been deprived of union membership in an unreasonable manner.

Asked why it was not proposed to outlaw the closed shop

altogether, Mr. Prior stated: "We tried that in the 1971 Act and it simply did not work."

He scornfully dismissed the Prime Minister's claim that the latest agreement reached between the Government and the TUC would prevent another round of strikes like that experienced in the winter.

"If none of the previous agreements have worked why should the present one?" Mr. Prior demanded.

Mr. David Steel, the Liberal leader, accused both the major parties of having made British industrial relations look like the Battle of the Somme.

"Two opposing armies, management and labour, glare at each other across a wasteland of lost opportunities — lost opportunities for innovation, productivity and exports."

## PM predicts Tory union-bashing

BY PHILIP BASSETT

THE Prime Minister yesterday appealed directly to trade unionists for their support in the election and warned that the Conservatives would take the country "straight back to the union-bashing days of the Industrial Relations Act."

Mr. Callaghan's appeal for unity in the Labour movement after a winter of serious industrial disruption was reinforced by his choice of a trade union journal, the National Union of Railwaymen's Transport Review, as his platform.

He said the recent agreement on the economy between the Government and the TUC would now have to be built

on. "The political and industrial wings of the Labour movement must work together. If there is to be justice and prosperity for the working people of Britain."

Trade unionists knew what Labour had done to help them. He listed the "stream of legislative changes to aid working people" — repeal of the Conservatives' Industrial Relations Act and the passing of the Employment Protection, Equal Pay and Health and Safety at Work Acts.

"I ask you to support the Labour Party in this election because we alone have the record of achievement and the policies for progress that will see Britain through the prob-

lems of the '80s."

He drew attention to the Conservative policies on trade unions and employment. The Conservatives had brought the British economy to a standstill before, and by taking the country straight back to "union-bashing" they wanted to do it again.

"We can achieve industrial peace, and an increase in real wages, if we stand together."

If Labour was returned with a majority in Parliament, it could repeat its achievement of halving inflation in three years. The Conservatives wanted an economic free-for-all on prices, pay, profits and dividends which would hit the weakest hardest.

## Stolid response to campaigners

BY CHRISTOPHER PARKES

THE LABOUR PARTY has turned many of its big guns on marginal constituencies this week, among them Nelson and Colne, in Lancashire.

Mr. Michael Foot and Mr. Albert Booth fired their salvos earlier in the week. Mr. John Silkin showed the anti-European flag yesterday and Mr. Merlyn Rees and Mr. Denis Healey are booked to lay down a further barrage today.

All are campaigning busily to keep the seat snatched from the Tories by Mr. Doug Hoyle in October, 1974, with a tenuous majority of 689.

It is Wakes Week. The mills and factories are closed and the few people not on holiday at the seaside are more interested in snatching a glimpse of the sun in their gardens, visiting the hairdresser and dozing at home than in public spending, unemployment and capital punishment.

Except at party headquarters

there is not a poster, not a window sticker to be seen. A teenager sporting a badge declaring "Only boring people vote Tory" said he had found it at his youth club.

At his headquarters, Mr. Hoyle stands to the party line on Labour's record and is contemptuous of the Conservative pledges of cuts in public spending. The area's unemployment rate, about 4.5 per cent, is among the country's lowest, he boasts. But the figure has been held so low thanks, largely, to Department of Employment schemes and temporary employment subsidies, which have kept 7,000 jobs open in the town twins.

Mr. John Lee, the Conservative attacking Mr. Hoyle's fragile majority, is an unknown. Busy on the party fringes for some years, his only experience on the hustings came in 1974 when he stood unsuccessfully for Manchester, Moss Side.

His tactics focus strongly on the manifesto promise of income tax cuts — a certain attraction in one of Britain's lowest wage areas.

Perhaps the town's drab, stolid wholesomeness gives the best guide to its political temperature. Although in a sense "working-class" to a man, the electorate obviously has deeply ingrained conservative characteristics. Almost three quarters of the population own their homes, and, in general they speak, slightly of the "scrumpers".

Mr. Hoyle, always busy with regular surgeries in the constituency, was happy for me to see an analysis of a paper used in selecting workers in local textile mills. It showed that a startling 52 per cent of the job applicants knew Mr. Hoyle by name.

But then, more than half the people I spoke to thought he was a Conservative.

## Thatcher reiterates: 'No pact'

By Ivor Owen

IF THE general election results in Mrs. Margaret Thatcher heading a minority Conservative Government, she would not woo the Liberals with an offer of electoral reform.

No coalition, no pact and no "wheeling and dealing," she again insisted yesterday. The Liberals claimed that the indications that a large proportion of the electorate has yet to decide how to vote cast doubt on Tory claims to be set for a decisive victory.

Mrs. Thatcher refused to be dismayed by the fact that, while crediting the Conservatives with an 8 per cent lead over Labour, the Marplan public opinion poll published in yesterday's Sun registered the "don't know" at 22 per cent.

"It was 'perfectly normal' at the current stage of the election campaign," she maintained.

Mrs. Thatcher explained that, should she be required to form a Government which did not have an overall majority in the Commons, there would be no question of abandoning commitments stemming from the principles on which the Conservatives had fought the election.

A judgment would have to be made about the measures which a minority Government could carry through and this would mean that the views of the other parties would have to be taken into account.

"That is quite different from having any form of coalition or pact," she declared when replying to questions at the Conservative press conference.

Finally ruling out any form of pact, Mrs. Thatcher commented: "The experiences of the last two or three years have been utterly abortive. It reduced the whole standard of public life and Parliamentary democracy to a series of wheels and deals."

Mr. David Steel, the Liberal leader, contrasted Mrs. Thatcher's views on how she would operate a Conservative minority Government with her condemnation of Mr. Callaghan for continuing to claim the right to govern when Labour had secured only some 38 per cent of the votes cast in October 1974.

Apparently, he said, it was wrong for a Labour minority Government to carry on on a day-to-day basis but Mrs. Thatcher would be prepared to do so herself rather than come to a stable Parliamentary agreement with other groups.



Mrs. Shirley Williams

THE Conservative proposal for income tax cuts continued to come under fire from Mrs. Shirley Williams who claimed that it would leave many families worse off than before.

Mrs. Williams, Education Secretary, estimated that a family would have to earn more than £7,390 a year to benefit from the proposed tax reductions.

She calculated that the necessary increase in the burden of Value Added Tax plus the rise in other charges would put an extra £4.75 a week on the household expenditure of the average two-child family.

At the Press conference, Mrs. Williams based her figures on various assumptions about Tory policy.

## Paul Taylor looks at the three main parties' plans for medical reorganisation

## Varying prescriptions offered to cure NHS patient

THE National Health Service appears destined for another dose of reorganisation, whatever the political complexion of the next government.

Against the backdrop of the long-awaited and still pending report from the Royal Commission on the Health Service, the manifestos of the three major political parties display an unusual degree of uniformity on the major issue facing the future of the ailing 30-year-old patient — the need to reduce bureaucracy and slim down administration.

In anticipation of the Royal Commission's findings, the parties advocate the abolition of all or some of the area health authorities — one of the tiers in the NHS pyramid, and giving a wider role to the bottom tier in the structure, the districts.

The 1974 Conservative reorganisation of the health service brought together the three functions of family doctor services, the hospital service

and local health services under a pyramidal structure with the Department of Health and Social Security at the top.

Under the Department came the 14 regional health authorities and then the 90 areas but because the area authorities were considered too large in 56 instances a further tier of management appeared — the district authorities — each responsible for populations of between 200,000 and 500,000.

For a wide variety of reasons, including the economic recession which slowed the flow of funds to the new beast, the reorganisation is widely considered to have foundered.

The growing strength of the health service unions, coupled with the end of Conservative pay restraint in 1974 has led to an upsurge in NHS staff pay. Some 70 per cent of the NHS's annual expenditure is now spent on wages and salaries.

At the same time there is evidence that the administrative "tail" of the health service has grown over large, diverting resources from primary health care to maintenance of the bureaucracy itself.

The total cost of the health and personal social services — those provided by the local authorities in the year ending March 1978 was about £7bn — double the amount in real terms spent at its inception.

The National Health Service is now Britain's largest employer with 786,550 staff. The latest figures (for 1977) also indicate record numbers of patients in hospitals, more than 500,000 out-patients.

The realisation that the demand for health care is infinite while the resources available are not has been recognised and this realisation has led to pressure to make

better use of existing resources. That is why virtually all the 2,000 submissions to the Royal Commission have urged the scrapping of at least one tier in the administrative system.

While there is a degree of agreement between the main parties over this issue, the manifestos also display fundamental differences in political philosophies towards health care provision.

These differences have been exploited at the hustings, with the Conservatives accusing Labour of mounting much of its "scare and smear" campaign on the question of health service charges.

On financing, only the Labour Party manifesto openly commits a future government to spending more in real terms on the service. The manifesto talks of "devoting a higher proportion" of the nation's

wealth "to the health service while the Conservatives are committed to "not reducing" existing expenditure.

The Tories argue that additional resources can only be provided in the first instance by cutting back bureaucracy and, in the longer term, by "restoring the nation's prosperity."

The Conservatives would probably also like to ease the restrictions on health authorities carrying over balances from year to year, while Labour is committed to an attempt to make savings by more central purchasing.

The Liberals state that they oppose "further closures of cottage hospitals" which would require additional resources and advocate higher spending on services for the mentally ill, mentally handicapped and disabled.

On charging, despite Labour claims about Tory intentions, the Conservatives say they have

no plans to introduce hospital local charges or charges for visiting the doctor.

Labour is pledged to abolish prescription charges while the Conservatives say that while they have, at present, no intention of increasing charges, they are unable to predict policy over five years.

This suggests that, in time with previous Party thinking, the Conservatives might not be opposed to allowing prescription charges to rise in line with prices if the economic climate dictated such action.

Both the Conservatives and Liberals favour a stronger role for the voluntary sector in partnership with official services — an issue raised during the recent health workers' dispute, while the Labour Party returns to the theme of a renewed shift away from hospital treatment to community care.

## ON THE STUMP

## Boyson's cult of personality

By Michael Dixon, Education Correspondent



Dr. Rhodes Boyson

THE BATTLE to keep the street lamps on after 10 pm in Haslingden, Lancs, was one of the more irritating, if less noticed, difficulties of the post-war Labour Government.

Its local opponent, who believed that anyone out later without a lantern must be morally suspect, was a Labour councillor called Boyson.

His son, Dr. Rhodes Boyson, has since changed the family politics to the right of the Conservative Party and deserted southward to the London constituency of Brent North. But he continues the tradition of high-minded defence of local and individual prerogatives and defends them valiantly in the Lancashire accent.

"Ave, that's all right, lass," he tells a self-confessed Labour supporter at her doorstep. "There'd be no election if we weren't on one side, would there?"

And off he whisks to the next house, every morning-chauwhick and pale-blue-lined with a touch of white in the Wharfedale evening breeze.

The familiar speech clearly works. A trail of canvassed households stays out of doors in his wake, consisting among the farthings, cinnabar haph, and a Wordsworth of unrhymed daffodils.

"I don't actually go out to see with you, Tories," came a Rhinelandish chattering alibi to his shirt sleeves. "But I like him."

The familiar approach is also a familiar one. "It's absolutely the only or near-absolute here," came the Lancashire doctor's agent, Peter Gold.

Perhaps the reason is the combination of Tory immigration, police and the nationally-misleadingly alloted of Brent North, 73,000 voters and still rising about a fifth of them consisting Dr. Boyson's 1974 majority.

But the former common-school head who is now the Conservative's second — and sometimes unpolitically old-school — spokesman on education probably could not change any.

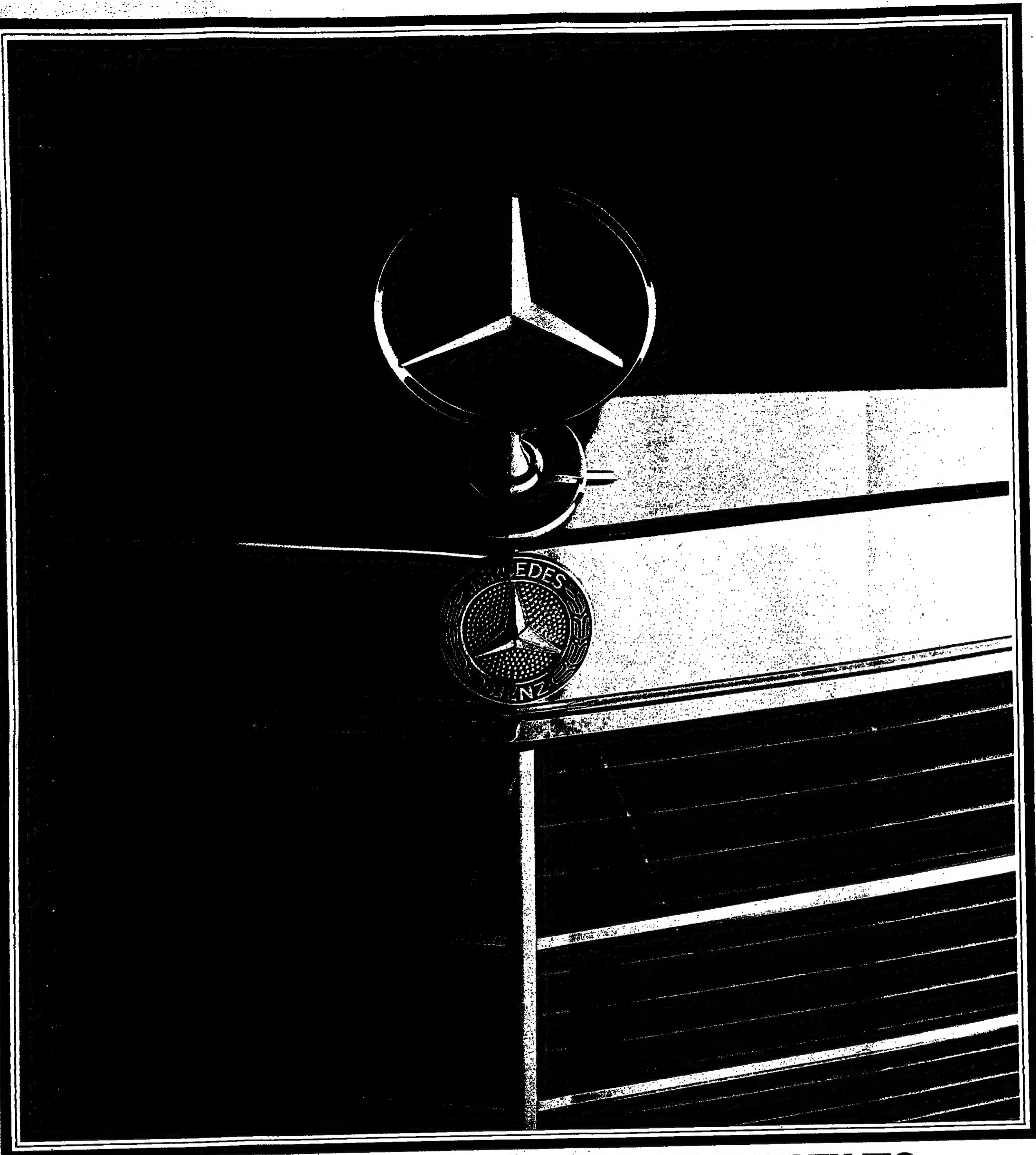
Transferred to teach the Tory case in his North-West hitherto, he shows his almost aggressive familiarity not a jot, although it does not always go down well.

I doubt that the wife of some leading citizen at a lunch-time rally in Dukinfield, Greater Manchester, appreciated being publicly advised that she needn't take her teeth out at the quietude.

And the rest of the audience was severely charmed by Dr. Boyson's open acknowledgement of his own brilliance.

Possibly they felt that behind his jolliness, he really believes it.





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The former will provide the very best protection if the worst comes to the worst, but the latter gives the driver all possible help to avoid such a situation in the first place.

Balance is the key word in each and every Mercedes-Benz design.

It's certainly appropriate when you

take a detailed look at the relationship between the performance of the engine, the running gear and brakes.

It's the way these separate factors interact with such harmony that makes driving a Mercedes-Benz such a relaxed pleasure.

To begin with most people consider our seats to be much harder than normal.

But on all our models the seating is integrated into the complete suspension system of all our cars.

As a result long journeys become far less tiring simply because our drivers are subjected to far less stress.

The look of a Mercedes-Benz is considered classic by some, but that is not the most important criterion when we come to design our cars.

The design of our lights, the slope of the bonnet, the curve of the side windows have a purpose that's always practical and never cosmetic.

Here at Mercedes-Benz we do not equate speed with performance.

Performance to us involves the overall balance between the following factors: engine power, road-holding and manoeuvrability.

As far as engine power is concerned, a Mercedes-Benz will in most cases have more than enough in reserve to cope with any situation that could be overcome by rapid acceleration. The road-holding and the manoeuvrability are exceptional on every one of our cars.

All this is because the suspension, power-steering and aero-dynamic shape

of the Mercedes-Benz combine together to put you in control.

In fact, the Mercedes-Benz suspension system is so sophisticated that on occasions it can compensate for a slight miscalculation on the part of the driver.

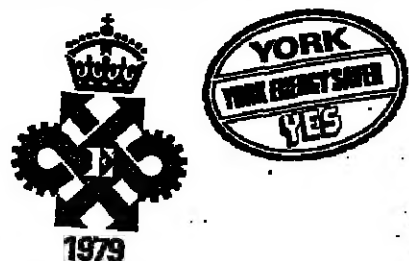
No-one could be better acquainted with the differences between a Mercedes-Benz and an ordinary car than one of our drivers.

And the people who know our cars, like those differences so much, nine out of ten new Mercedes-Benz are bought by previous owners.



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## UK NEWS — LABOUR

### Lloyds staff devises plan to undermine bank union

BY NICK GARNETT, LABOUR STAFF

A CONFIDENTIAL document outlining a strategy for destroying the Banking, Insurance and Finance Union has been drawn up by members of the policy-making committee of the Lloyds Bank staff association.

The document, which calls for the establishment of new staff associations at the Midland Bank, and Williams and Glyn's, and the creation of a stronger central body for the associations, will make it even more difficult to form one staff union for the clearers.

National negotiating machinery in the banks collapsed last year following the withdrawal of BIFU (formerly the National Union of Bank Employees) in a long-running dispute with the staff associations at Lloyds,

Barclays and National Westminster. Since then, Dr. Tom Johnston, chairman of the Scottish Manpower Services Committee has proposed the creation of a clearing bank union. This would be part of a new TUC-affiliated finance union made up of BIFU and the three staff associations.

Negotiations on this report have proved difficult, particularly over the issues of autonomy for different staff sections and whether power should reside in the clearing bank union or the umbrella body.

The Lloyds document, which has apparently been drawn up by a section of the staff association's policy committee implies that nothing will come of the Johnston proposals and calls for a strengthening of the present

Confederation of Bank Staff Associations.

Such a confederation, says the document, would be a major boost to membership. "BIFU would be the ones to suffer and gradually we would ensure that by BIFU influence waning all the time its ultimate demise would be inevitable, leaving one staff body in banking."

Mr. John Bealey, general secretary of the Lloyds staff association said yesterday that not all members of the policy making committee had been involved in drawing up the document and it did not necessarily represent official staff association policy.

The association still broadly supported the Johnston report but other groups were making negotiations difficult.

### BL strike may end Monday

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LEADERS of the crumbling strike by BL Cars' craftsmen are expected today to recommend a full return to work on Monday.

More than 3,000 skilled workers at 14 plants walked out two weeks ago in pursuit of demands for an immediate pay increase and improved differentials. But by last night the Cowley body factory, Oxford, with 800 skilled men, was the only plant of any significance still backing the dispute.

A vote yesterday by 200 men at Coventry Engines to end their action was the latest in a series of meetings by craftsmen to reverse the strike decision.

The likely collapse of the strike leaves Mr. Roy Fraser, the unofficial leader, in an exposed position. He said that if the majority of delegates meeting in Birmingham today to review the position backed a return to work, instruction would be forwarded to members.

He did not want workers at Cowley, his own plant, to stand alone. Mr. Fraser said that management promises to make parity payments had influenced strikers to return.

"If the company reneges on that, as it has done over the past two years, it could face trouble on a far greater scale than merely the skilled men," he said.

BL's success in meeting production, in spite of widespread action by the skilled men, has pushed back the threat posed to the company by Mr. Fraser for the past two years.

Mr. Fraser is aware that his position as a shop steward at Cowley, if not his job, is now at risk.

The executive of the Amalgamated Union of Engineering Workers is investigating his activities to see whether he has been guilty of breaking union rules by organising action outside the Oxford district.

If complaints against him are proved he could be stripped of his shop steward status, fined, or expelled from the union. Mr. Fraser said last night that the company had already made clear that it was prepared to back any firm action proposed by the union.

### Plumbers angered by amalgamations

BY CHRISTIAN TYLER, LABOUR EDITOR

CONTINUING discontent in the Electrical and Plumbing Trades Union about branch reorganisation is likely to feature again at its delegate conference, along with major debates on new technology and wages.

The union's Cardiff branch, suspended for "irregular conduct of meetings" at the time of the last biennial conference, has submitted a protest motion for this year's conference, which starts tomorrow week.

Its motion says the "whole-sale policy of closure of branches and the spate of compulsory amalgamations" last year were "not in the best interests of members."

The North London plumber's branch (or lodge), complains about the closure of lodges and the placing of plumbers in electricians' branches.

### Rail talks founder as unions seek quick peace

By Philip Bassett, Labour Staff

PAY TALKS between British Rail and all three rail unions representing 180,000 railway workers foundered again yesterday despite the intervention of Sir Peter Parker, chairman of British Rail.

Talks will resume on Tuesday after the unions' general secretaries and presidents, who met Sir Peter yesterday, have consulted their executives.

There remains only one sticking point preventing a settlement, which the unions are anxious to reach before the General Election. It is the consolidation into basic rates of more than the offered £2 of the £8 national earnings supplement from stage one of the present series of pay controls.

British Rail is prepared to consolidate a third of the £8, which it estimates will cost about £20m, but Sir Peter Parker said that BR's financial position would not allow it to consolidate any more.

### October hope

The Railways Board has offered full consolidation into basic rates of the national business performance productivity scheme, which has been yielding an average of 2 per cent since its introduction last year.

The pay offer is worth overall about 12 per cent, with about 9.3 per cent made up of new money and the rest made up mainly of increases from productivity.

Mr. Cliff Rose, board member for industrial relations, said that the offer would put about £100m on British Rail's £1bn annual wages bill.

Mr. Ray Buckton, general secretary of ASLEP, the drivers' union, said after the talks that Sir Peter had indicated that the board was prepared for further talks in October to see whether more of the supplement could be consolidated next January.

Present pay rates give average earnings ranging from £26.25 to £107.92 a week.

## APPOINTMENTS

### Alan Lord joining Allied Breweries

Mr. Alan Lord has been appointed a director of ALLIED BREWERIES. Mr. Lord is an executive director of Dunlop Holdings and managing director of Dunlop International. He was formerly Second Permanent Secretary to the Treasury.

Mr. David Welby has been appointed managing director of ROYDS LONDON from April 23. Mr. John Loman, who was assistant managing director, becomes deputy chairman and Mr. Bob Eyles joins the Board. Mr. Christopher Jones has been made research manager. Mr. Harrison McCann and Mr. Jones was with Benson, Bowles. Royds London is the principal agency in the Royds Advertising Group, which is now a member of the Eitel Group.

Mr. J. V. P. Russell has resigned from Board of LONDON AND MIDLAND INDUSTRIALS.

Mr. Bruce Turner, chairman and managing director of Ernest Turner (NE), of London, is to become the first non-French honorary president of l'Association pour la Promotion du Tissu Mural. The APTM represents French manufacturer of high quality wallcoverings.

Mr. S. J. Cennell has been appointed managing director of MECANORMA. He was previously marketing manager of Consolidated Cigar in the UK.

Mr. Hamish Inglis has resigned as managing director of LORIMERS BREWERIES and will be leaving the company at the end of July.

Mr. Ronald Levin, managing director of JANSSEN PHARMACEUTICAL, has been appointed deputy chairman with special assignments in corporate development. Mr. J. Duncan McIntyre, marketing director, has become general manager.

Mr. Roger Hook has been appointed sales director of CI BLUEBIRD from May 1. Mr. Peter Nethercott, previously European marketing manager, is now European parks negotiator. The company is a member of the Caravans International Group.

Mr. N. Robins has been appointed divisional director of ELGAR MACHINE TOOL COMPANY, responsible for the Sales Enterprise (factored division) and Cromwell

Machinery Centre (second-hand division) which are based at Brebrey, Stockport. The spares and service departments of the company have now moved from London to Brebrey, under the control of Mr. Jack Wilkinson who recently joined Elgar as technical manager.

H. Clarkson (Insurance Holdings) has formed H. CLARKSON REINSURANCES to handle insurance treaty affairs of the group and results from the merger of H. Clarkson (International) and H. Clarkson and Co. (Reinsurance). The Board of the new company will be: Mr. K. J. Coates, chairman; Mr. F. C. Heyland Jackson, and Mr. P. D. Martens, deputy chairman; Mr. J. C. Oseroff, managing; Mr. R. C. Bingham, Mr. A. Groves, Mr. G. Holman, Mr. A. Nicholson, Mr. G. R. G. Plant, Mr. P. J. Sweet, Mr. E. Taylor, Mr. G. M. W. Williams, Mr. H. J. Willis and Mr. C. Wood.

Mr. M. J. M. Lennox has been appointed to the Board of CUTLER-HAMMER EUROPA as director of finance and administration from May 1. He was previously with Honeywell Europe in Brussels.

Mr. P. V. Clayton-Russell has resigned as a director of LMI (London Midland Industries) and has joined the Board of MABEY AND JOHNSON.

Mr. M. J. Cooper has been appointed managing director of VACUUMATIC, responsible for UK operations. The company is a subsidiary of Fortale Holdings.

Mr. Philip Horton has joined the Board of DEWRAMET as managing director. He was previously on the Board of BSA Foundries and general manager of that company.

Mr. Michael Posner has been appointed a part-time member of the BRITISH RAIL PROPERTY BOARD and continues as a non-executive part-time member of the British Railways Board.

Mr. John A. Mayer has been appointed managing director of MORGAN GUARANTY LTD., a newly formed investment bank which will operate mainly in the Eurobond market. Prior to becoming managing director, Mr. Mayer headed the project finance and funding services of Morgan Guaranty Trust Company's offices in London.



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The scope of our service is so broad that it is best explained through demonstration and discussion, but two examples of how our current clients make use of the service may help to clarify the possibilities.

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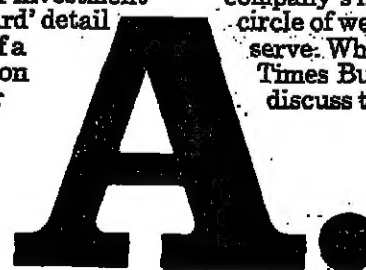
A merchant bank finds we can supply the back-up information needed to analyse individual companies as prospects for investment and loans. Not only in the form of 'hard' detail on the published financial standing of a company but also the 'soft' information gathered from press coverage of their

policies, the people who own and run the company and their new product development stance. Sometimes the information available to the FT information service is so 'live' it has not yet percolated through to the business community at large. The bank also finds we are the authoritative source of foreign exchange rates, which are often needed as far back as 5-10 years.

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## THE WEEK IN THE MARKETS

## The pace begins to tell

The stock markets ran into mid-campaign profit-taking this week, as the enthusiasm with which the announcement of a General Election was greeted has been tempered with mild apprehension. Sterling moved lower, and some nervousness transmitted itself through gilt-edged to equities. On Thursday after hours it became possible to deal for the new account, which covers the election date: surely there would be some new demand? But the market closed quietly easier, and although yesterday saw a slight recovery on some thin late buying.

The question of whether or not there will be a flood of rights issues if a Conservative government is returned has been provoking some argument, but everyone agreed that an issue before the election was most unlikely. However, Slough Estates has taken advantage of the rise in its share price this year—from 120p to 170p—to launch a one-for-four convertible bond issue, with a conversion price that works out at just over 192p, very much in line with what the group's net asset value will be after its property revaluation. The rights will be traded nil-paid over the election period, which may provide some amusement.

The issue gave Slough an opportunity to propose a handsome income boost but dividend considerations have obviously creased many boardroom brows at Burmah and Dunlop over the last few weeks.

## Dunlop dividend

In the event, the oil company decided to suspend payments for at least another year although profits have started to recover encouragingly while Dunlop clung to a maintained total dividend of 5.3p with an unchanged final of 2.65p per share.

That yields over 114 per cent which prompts analysts to suppose that the shares have little further to fall. The dividend

## TOP PERFORMING SECTORS IN FOUR WEEKS FROM MARCH 22

	% change
Breweries	+12.6
Insurance (Life)	+10.5
Stores	+10.0
Entertainment, Catering	+9.8
Discount Houses	+9.5
Oil	+7.4
All-Share Index	+4.2
THE WORST PERFORMERS	
Engineering Contractors	-1.4
Textiles	-2.4
Wines and Spirits	-2.8
Shipping	-3.5
Pharmaceutical Products	-4.0
Insurance Brokers	-6.5

cost of £8m means little or nothing in terms of the tyre manufacturer's annual turnover in excess of £1.5bn, but Dunlop has had to take the tricky decision to maintain shareholders' income while exacerbating Mercedes' unemployment problems by closing the Speke tyre works.

After a pre-tax alide from £57m to £43m the dividend is still covered 14 times by historic cost earnings but the group has had to provide approximately 13p more per share to pay for its rationalisation programme. Yet, having absorbed the blow of

## LONDON

## ONLOOKER

what looks to have been a £23m loss on European tyre operations last year, Dunlop is still confident of catching its breath and starting a recovery.

The market feels that UK tyre profits could start coming through in the second half of 1979 and may run out at around £10m pre-tax including France and Germany in the following 12 months. That looks fair enough but this performance should be set in the context of current turnover here of over £500m annually. Any long term money must be riding on Dunlop's attempt to reach an accept-

able commercial margin on an operation of this scale.

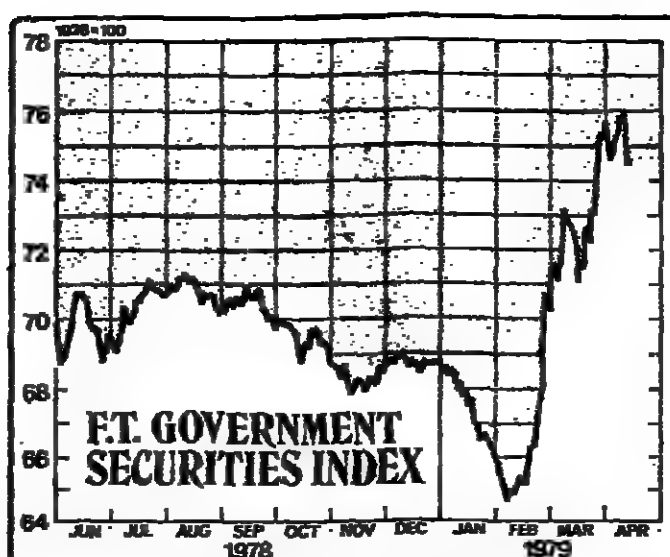
Burmah shares have had a splendid run since last autumn but the market now seems quite happy to shut up shop on this stock until the oil and shipping group can add dividend income to the recovery which saw pre-tax profits improve last year from £3.6m to £17.1m.

Some form of national payment must be on the cards this time and the group's spirited recovery will be aided by the growing impact of Thistle profits, although these carry heavy taxes, and a further fall in tanker losses if another charter is cancelled. Recent events in Iran, however, may prove crucial to the speed of Burmah's return to the dividend lists.

The evidence so far suggests that tanker rates are very firm as all available crude is being rushed from the point of production to the major consuming countries. But the Iranian supply which has been used to feed the Ellsmere Port refinery is proving expensive and difficult to replace and Burmah's downstream operations through Castrol may be more vulnerable than those of the oil majors, which employ far greater marketing and financial muscle.

## Dialectic at Marx

Apart from the promise of an unchanged dividend of 5.66p net for 1978, there was very little



to cheer shareholders of Dunlop-Comber-Max this week.

Last October, after revealing an unexpected £2.96m loss for the first half, the directors confidently predicted that full-year earnings would be sufficient to cover a maintained payment of £1.3m. But last Tuesday's announcement indicated that this will not be the case, and the shortfall will have to be met out of reserves.

The final audit is still going on but it is clear that DCM's heavy U.S. losses, stemming from the Louis Marx operation and the integration of Aurora, the new acquisition, will very nearly offset the previous year's

group attributable profits of £3.5m, in spite of record UK figures.

To strengthen the management structure, Mr. Basil West, formerly with Lorch and the Automobile Association, has been appointed financial director while Mr. "Art" Golden, Louis Marx's executive vice-president, takes over as chief executive of the U.S. company in succession to Mr. Bob Butler who, DCM says, "has completed his three year assignment."

Meanwhile, DCM's share price is languishing at 78p, compared with 130p a year ago—a factor which must make it a prime takeover target.

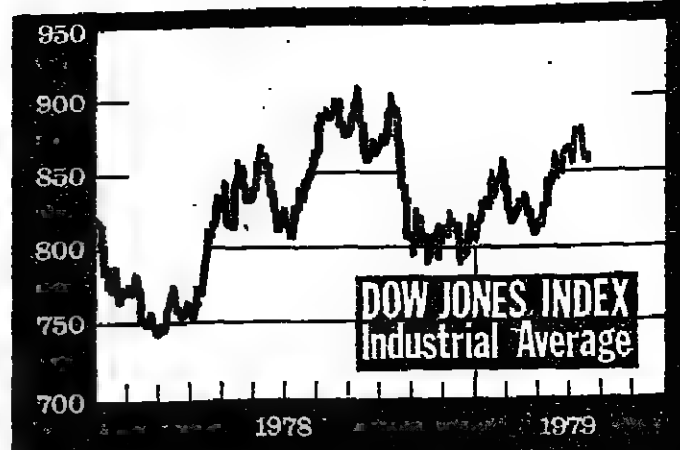
## Up in the attic

SOMEWHERE in the higher-most recesses of the New York Stock Exchange building there may well be an attic. Standing alone in the middle of this dusty and gloomy attic may well be an easel supporting a painting which is shrouded in sackcloth. Periodically it seems, investors who appear a little too free with their money, a little too anxious to embark on buying sprees are taken up into the attic and emerge minutes later pale and shaking, screaming "sell, sell, sell." One can only guess as to the contents of the painting but it may well picture a market of rising interest rates rapidly falling stock prices, grey and shrivelled brokers and a Wall Street echoing to thunder claps and illuminated by bolts of lightning.

The identities of the guardians who lead these terrifying excursions to the stock market painting vary from time to time, but lurking underneath their heavy cloaks are believed to be members of the administration and even, the chairman of the Federal Reserve Board, Mr. G. William Miller. Occasionally quick of temper, the guardians frequently tend to turn on each other. Some seem to want to organise visits to the painting at times which others deem inappropriate, and after intense squabbles the loser will crawl away into a shadow to lick his wounds.

Which may be why we have not seen much of Mr. Michael Blumenthal, the Treasury Secretary in the last few days. Until last weekend he had been surreptitiously, but eagerly, portraying a future of high inflation, and an overheated economy which demanded a setting of higher interest rates and much slower economic activity. Mr. Blumenthal's parties to the attic resulted in a falling stock market and a nervous group of investors who could see little in the future to justify committing large portions of the wealth for which they are responsible to the purchase of equities.

But Mr. Blumenthal's activities against at least one of the key guardians, Mr. Miller, bridled under the pressure on his central bank



and even before its open market committee met on Tuesday he let it be known that he saw no case for the committee deciding to push up interest rates in the month ahead. Unlike some of his predecessors, Mr. Miller hates to keep his own counsel for long, and he is not at all averse to thinking aloud on subjects which others might consider market sensitive and therefore best discussed in private. But in the early part of the week Mr. Miller doubtless drew strength from the support of the chief guardian, President Jimmy Carter, who told all his eco-

nomic advisers last weekend to leave the Fed alone since he, the President, was not at all convinced of the need for higher interest rates.

Thus neither the President nor Mr. Miller are keen to stage for the time being anymore viewings of the awful picture in the NYSE attic. Indeed, Mr. Miller has gone to extraordinary lengths to succour the nervous pack of investors. If, he said on Thursday, the growth in real gross national product in the second quarter is less than 2.5 per cent, there may be little need for further restrictive monetary policy.

This unusual disclosure of co-ordinates on the FED's interest rate map guarantees that investors will be anxiously scrutinising every economic indicator for at least the next two months and that the smart ones may well try for profitable plays in and out of the equity and bond markets.

But Mr. Miller's words have not rapidly healed the psychological damage wrought by the interest rate scares of the past two weeks. Indeed some pessimistic analysts claim to see subtle changes in the market's appearance which suggest a gradual metamorphosis which will leave it looking like the picture in the attic. This may be misinterpreting the reaction to the five weeks of gain in March and early April but the fact that Mr. Miller's soothing remarks brought no swift benefit. To the Dow Jones Industrial Average suggests that a certain tense anxiety has taken hold.

Some investors were undoubtedly phased by the disclosure on Thursday that the U.S. economy had expanded by a nagatory 0.7 per cent in the first quarter when everybody, including Mr. Miller, had been expecting around 2 per cent. This is a sharp drop from the 6.9 per cent gallop of the final quarter of 1978 and surprisingly has not been accompanied by any increase in unemployment.

Nevertheless, investors do not appear to regard an economic slowdown with the same kind of equanimity. Indeed welcome, as Mr. Miller. But uncertainty is no argument for either standing pat or panic selling and Standard and Poor's advisory market service has just come up with a list of 120 stock which it recommends as fit for both selling and buying. Unsurprisingly, cyclical companies carry sell recommendations including General Motors, Ford and Chrysler as well as Aluminum Company of America, and Eastern Airlines.

On the buy side, the agency likes the look of Johnson and Johnson, Eastman Kodak, Philip Morris, Burlington Northern and Standard Oil of Ohio.

Assuming that the Fed's are no more than maintained at the same level of the interims, it will be seen that gold shares are paying very well indeed for their keep. Potential yields on this basis for non-premium payers are around 20 per cent in the cases of Free State Geduld, President Brand, Welkom and Western Holdings. The return to UK premium-paying holders falls to around a still very reasonable 17 per cent. While counter-attractions exist there may be no reason to buy golds at the moment, but a shareholder might well think twice about selling and losing such a high and irreplaceable return on his investment.

## GOLD MINE NET PROFITS

	March quarter	December quarter	September quarter	June quarter
R000s	R000s	R000s	R000s	R000s
Blyvooruitzicht	10,513	8,138	5,303	8,215
Bracken	1,534	1,060	1,787	1,858
Buifelsfontein	12,781	11,785	11,575	9,977
Doornfontein	4,040	3,530	2,991	3,816
Durban Deep	11,521	12,239	11,847	11,350
E. Daggfontein	26	345	319	1,178
E. Driefontein	28,259	30,811	22,811	23,040
ERGO	8,027	3,612	3,638	1,188
E. Rand Pty.	11,112	11,253	9,678	11,979
E. Transvaal	1,051	798	703	1,569
Elandrand	780	—	—	—
FS Geduld	21,312	21,492	20,604	23,404
FS Snaarplaas	4,973	2,252	2,614	6,156
Grootvlei	2,081	1,780	1,314	1,162
Harmony	15,723	15,743	10,004	12,448
Hartebeest	15,663	14,433	11,287	14,378
Kinross	3,847	3,672	3,520	3,844
Kloof	14,036	12,404	10,940	11,734
Leslie	1,148	937	1,033	1,212
Libano	4,894	4,795	4,132	4,021
Lorraine	1,583	1,338	1,965	1,871
Marieval	635	808	699	814
President Brand	20,785	15,800	16,077	17,185
President Steyn	11,275	7,840	8,786	12,509
Randfontein	20,417	20,520	19,913	18,282
St. Helena	7,995	6,452	7,305	5,107
S. African Land	11,101	10,619	10,470	10,313
Stillfontein	1,751	1,249	1,710	1,117
Van Riebeeck	36,303	45,129	35,882	39,727
Venterspost	11,102	11,510	7,992	11,525
Vlakfontein	330	353	148	436
Welkom	4,373	3,473	3,660	3,972
W. Driefontein	27,144	28,227	25,797	26,715
W. Rand Consolid.	4,502	11,259	7,243	11,131
Western Areas	8,650	8,319	7,086	7,314
Western Deep	23,144	22,690	20,782	20,216
Western Holdings	13,004	11,742	11,958	12,522
Winklaak	6,462	6,152	5,539	5,312

\* Loss. † After receipt of State aid. ‡ Net surplus includes sale of capital items following cessation of mining. § After State aid repayment.

## The lights come on again

THE LONG dark years of depression in the world mining industry are over. Prices of virtually all metals have embarked on a strong recovery in line with the basic change in consumer thinking that I drew attention to earlier this year: metal users no longer buy "off the shelf" but have to take a view on metal prices and supply prospects which means that they must once again carry reserve stocks.

There is thus a good demand for metals, even for those like nickel which are still in oversupply. What is not so clear is how much of this increased demand reflects a rise in the actual usage of metal. And with one or two warning signals flashing over the outlook for the U.S. economy, the strength of metal demand could begin to ease.

Prices, however, have not risen to unrealistic levels and, indeed, they are still not high enough to justify new mine development as opposed to the expansion of existing operations. In the case of copper, for example, the required "new mine price" in the opinion of Rio Tinto-Zinc's Sir Mark Turner is about \$1.50 per lb compared with the current level of just under \$1.

Metal prices do not seem particularly vulnerable to any reasonable slow-down in business activity and it would require a major world recession to bring back the dark years. On the other hand, they may well be set for a further advance and Sir Mark is pretty confident about copper, the better quality grades of which are in short supply.

Another factor in the equation is the possibility of increased buying of metals by the Chinese to fuel their industrial revolution: they are already in the market for copper. There is an air of confidence among the natural resource companies and this is particularly true of RTZ.

Half way through 1978, the international mining and industrial group was in a declining earnings phase. But the sudden recovery in metal prices—noticeably lead and zinc—in the second half has put the group back on a rising profits path. This week RTZ has beaten all expectations with news of a 1978 net profit of \$98.4m, equal to 39.04p per share, which compares with the 1977 total of \$82.3m.

Because of its high proportion of overseas income RTZ is not shackled by UK dividend limitation and has lifted the 1978 final dividend to 5p net to make a total of 11.5p against 9.5p for 1977. Furthermore, this more liberal pay-out comes at a time when virtually all sectors of the diversified group are set to increase earnings in 1979—in sharp contrast with the outlook of a year ago.

Even the Hamersley iron ore problem child in Australia has

announced a much improved first quarterly result and will be further helped by the price increases of around 7 per cent agreed to by its Japanese customers. And RTZ's important revenue from copper is now reflecting a London metal price of just under £1,000 per tonne compared with last year's average of £710.

Providing that current business conditions are maintained, 1978 is going to be a real bonanza year for RTZ. So much so that despite a 90 per cent

## MINING

KENNETH MARSTON

recovery from their 1978 low, the shares remain a "hold" and should be bought on dull market days.

In a similar position is the U.S. version of RTZ, America's big Amstar group in which London's Selection Trust has a valuable 8.3 per cent holding. First quarter earnings have hit a record \$78.1m (£36.6m), equal to \$2.08 per share. Following last year's total of \$160m they reflect higher profits from molybdenum, copper, lead, zinc, coal and oil, and gas.

The company's nickel operations approached break-even levels in the quarter and could soon make profits if the optimism of the big Canadian producers of the metal is justified. Mr. Marsh A. Cooper of Falconbridge Nickel says: "Lights are coming on again and corporate prospects for the balance of this year and beyond seem bright indeed."

Mr. J. Edwin Carter, chairman of the giant Inco, comments, a little more cautiously: "We think we have reached the bottom of the valley, but still face the task of climbing the opposite slope." This view is coloured by the need to settle the long strike at the company's Sudbury operations which was a factor in the poor first quarter profit of only U.S.\$0.5m which compared with the 1978 total of \$77.8m.

However, the recent rise in nickel prices is bolstering current quarter's earnings and Mr. Carter points out that market conditions are improving for all the company's primary metals—nickel, copper, cobalt and precious metals—while the big ESB electric battery subsidiary is doing well. Given a settlement of the Sudbury strike, Inco's earnings should stage a strong recovery this year.

Gold has been in the doldrums largely because of the strength of the U.S. dollar. This week, however, the metal price has picked up following the decision to reduce the amount of gold offered at the



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## Covenant for a minor

BY OUR LEGAL STAFF

I understand that as a grandparent I can now enter into a covenant in favour of my grandchild (aged 11) for, say, £500 without affecting his parent's tax position. Would it not be necessary to appoint my son-in-law as trustee to enable the tax return to be completed and, in fact, to receive the covenanted payments?

It is not essential to appoint a trustee to receive the sums covenanted to be paid and to reclaim tax reliefs, although it may be convenient to do so. It is sufficient if the deed of covenant specifies that the receipt of the minor's parent or guardian shall be sufficient—the parent or guardian can deal with tax matters on the minor's behalf.

### Widow leaving a house

My wife inherited a house occupied by a widow who became a tenant on the death of her husband. She has now entered an old person's home. It seems on a permanent basis, leaving her son behind as occupant. Is there anything we can do to secure vacant possession before long?

The provisions as to succession to a protected or statutory tenancy (set out in the First Schedule of the Rent Act 1977) operate only on the death of the original tenant, or (as here) of the first successor. Hence it is correct to say that if the present tenant (the widow) who is the first successor ceases permanently to reside at the premises her son cannot become a successor to her tenancy. However the decisions on the degree of intention requisite to import permanent residence show that a person in

a home for the elderly may well still continue to be protected by the Rent Act even where there is little prospect of her returning to live at the premises, and even after a long absence. It thus remains unclear whether you would be entitled to possession either now or upon the death of the first successor.

### Invalidation of a will

With my co-executor I witnessed the signing of a will, not knowing that his wife was a beneficiary under it. I learn this invalidates the will. Does this mean the whole will or only that part affecting my co-executor's wife?

Only the gift to the attesting witness's spouse is invalidated. You should apprise your co-executor of this, as the may wish to point out to the testatrix that his wife cannot benefit unless she executes a codicil (with other witnesses) repeating the bequest.

### Chargeable event

A maximum income five-year bond policy for £9,000 has just matured and I have been informed that a "chargeable event" has arisen and that the gain arising is £4,095. My income for the past financial year was

Retirement pension 1,741  
Other income taxed at source 369  
Building Society interest (grossed up) 746  
Life assurance guaranteed bonus bonds 632  
Could you tell me how my liability for investment income

surcharge will be calculated? Ignoring the figure of £632 (because you have not given us enough information as to its nature etc.), and on the assumption that the annuity contract was made before March 27, 1974, you will have no investment income surcharge to pay on the £4,095 gain (or on any other investment income), but you will suffer age-allowance claw-back of £540 @ 33% (=£178.20) as a result of surrendering the deferred annuity contract comprised in your bond.

### A domicile of choice

I was born in Southern Ireland and lived there until joining the British Army in 1940. After the war I remained in England to earn my living and remained there until retiring in 1963, when I went to Jersey and later to Guernsey in 1968. In 1974 we moved to the Isle of Man. We now wish to return to England, but before doing so would like to resolve the question of whether I am domiciled there on which I have received varying advice. What, please, is your view?

We think that you probably acquired a domicile of choice in England, but that this would have been abandoned on your acquiring another domicile of

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

choice. If, therefore, your residence in Jersey or Guernsey was of such a character as to have caused you to acquire a domicile of choice in either island, your English domicile will have lapsed, even if you no longer have a Jersey or Guernsey domicile.

### Stamp duty on a transfer

In order to avoid stamp duty on a transfer of my house, worth about £40,000, to my wife, could I pass a one third interest to her now thus keeping the value under the free limit of £15,000 and another third in each of the next two financial years? Do I need a solicitor to arrange any stamping necessary? Would the Controller of Stamps accept a valuation by any qualified estate agent?

We doubt if you could effect your purpose by three stages, as each stage would be part of a series of transactions, the value of the consideration for which exceeds £30,000; so that you could not give the necessary certificate. You can present the conveyance or assignments for stamping yourself, without the intervention of a solicitor. If there is a dispute as to the value, the Controller will require a valuation by the District Valuer.

### An Irish saving

An Irish savings certificate was bought for £329 on behalf of his father by a friend now in poor health who was visiting him in Ireland in 1977. On his father's death he inherited it and when visiting Ireland in 1978 he cashed it for £931. When the next tax form is being filled in under what heading must the cashing of the certificate be inserted?

Will the tax be payable on the difference between the purchase and sale price? How will the Tax Inspector deal with the matter?

Income tax will be charged (under case V of schedule D, according to part III of schedule 12 to the Income and Corporation Tax Act 1978, i.e. the difference between cost and proceeds). The figure of £602 should be entered in the section for income arising outside the UK and can be simply described as "Accrued interest received on cashing Irish savings certificates".

As your friend's father was apparently domiciled in the Irish Republic, we wonder whether your friend himself is domiciled there—having his father's Irish domicile as a domicile of origin, and that domicile not having been superseded by a domicile of choice in England and Wales (or elsewhere). If he is indeed domiciled in the Irish Republic, he should ask his tax inspector for the special type of return form designed for people domiciled outside the UK, form 11K. This will not affect the taxation of his Irish savings certificate interest, but it would be as well to establish his domicile before his health deteriorates, because it may be important for other tax reasons (including CGT and CTT).

## Level of excess

HOW CAN you cut the cost of motor insurance, yet still maintain a high level of cover? The simple answer is to carry some of the risk yourself by having an "excess" put on your motor policy.

The motorist public, by and large, still do not understand how an excess works or appreciate how it can cut their insurance costs. The idea is quite simple. If you have an excess of £50 put on the policy, for instance, your foot the bill for the first £50 of any claim your self irrespective of whose fault the accident was.

### INSURANCE

ERIC SPURT

In return the premium is reduced, the amount of reduction depending naturally on the level of excess. For example, General Accident, the largest motor insurer in the UK, gives the following reductions:

Excess	Reduction
£	%
25	7
50	12
75	15
100	20

With fully comprehensive premiums of £100 a year not uncommon even on full no claim discount a saving of £12.50 for a £50 excess is quite useful.

The insurance company can make the reduction for two reasons. First it is not paying out so much in claims. But an even more vital factor is that it is cutting out handling a mass of small claims that can cost more in administration than is actually paid out.

On GA's example, if you have a four-year period free of accidents, you have covered the cost of the excess. Under the no-claims discount system, motorists are not going to report accidents involving minimal damage to their insurance company. They are going to pay the claim themselves, thereby retaining the full NCD. So why not get the benefit of this in lower premiums. You would not report a £50 claim anyway, so get a premium reduction for doing this.

So why is such an obvious move not generally appreciated? There is strong body of opinion that holds the view that when you insure a risk you should insure the whole risk. They genuinely believe that any attempt to reduce insurance

cover is not in the interests of the consumer. Also, the commission, paid depends on premium levels.

This overlooks the simple financial arithmetic that it is cheaper to self-insure the first part of the risk which the consumer can pay out of income and let the insurance company carry the main risk, which could involve financial disaster for the consumer if he had to carry it himself. More industrial and commercial concerns are discovering the virtues of self-insurance.

Consumers themselves like the idea of an excess until a claim actually arises. Then they jib at the idea of paying out money, especially if they feel that the accident was not their fault. If they have a claim for £60 and have to pay £50 of that amount they have second thoughts. And these thoughts are in general misguided because motorists do not fully understand the legal position.

If the other driver was at fault, they have a perfect right to seek payment of the excess from him. But if the other driver or his insurer refuses to pay, there are problems. Many people do not like seeking solicitors' advice and pursuing what may be prolonged action just to recover a small sum. This is where the recently established Small Claims Courts is useful.

Unfortunately there are only three such courts in the country. The one at Westminster is prepared to accept cases from anywhere in the country, but that at Manchester covers the greater Manchester area only. There is a third court at Dundee.

Those motorists might carry part of the risk themselves if insurance companies introduced "franchising", which is a variation on the excess principle. With franchising, the motorist carries the risk where the claim is less than the excess. But if the claim is more, the insurance company foots the total bill. Franchising is common in industrial fire insurance, but it is unknown in motor insurance, and underwriters claim there is no demand for it.

But this is begging the question. There is no demand because the motorist does not know of the possibility. The motor insurance industry needs to take a lead. Admittedly the reduction in premium would be less than for a full excess. But franchising would meet the insurance needs of the motorist seeking reasonable cover at a reasonable premium.

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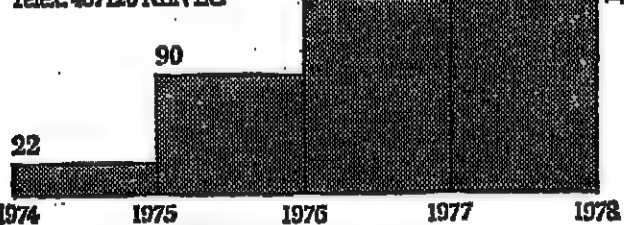
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## What each spouse pays

I recently had an inquiry from the Capital Taxes Office, asking me for my net income and expenditure separated from my wife's for the past four years. I would not find this easy, but why does it matter who buys the gin, who pays the rent, or for that matter, the tax? Is there any action you think I should take in this connection?

Although it matters not who buys the gin—unless the pattern of consumption is unusual—it can matter who pays the rent and who pays the tax. If your wife pays (or makes a contribution towards) a debt which is legally yours, she effectively makes a gift to you. If your income is such that you would have little to spare after

settling your debts to the taxman et al. were it not for the fact that your wife voluntarily contributes her equitable share of your tax bills, you may be hard put to it to show that you can make gifts out of your income (as distinct from making gifts subsidised by the gifts received from your wife). This is an over-simplification, of course, but you may wish to transfer the legal responsibility for part of the household's debts to your wife (so as to boost your own disposable income), and an election for separate assessment is one of the simplest ways of doing this. The July 5 deadline for separate-assessment elections is rigidly enforced, so do not leave it to the last day or two.

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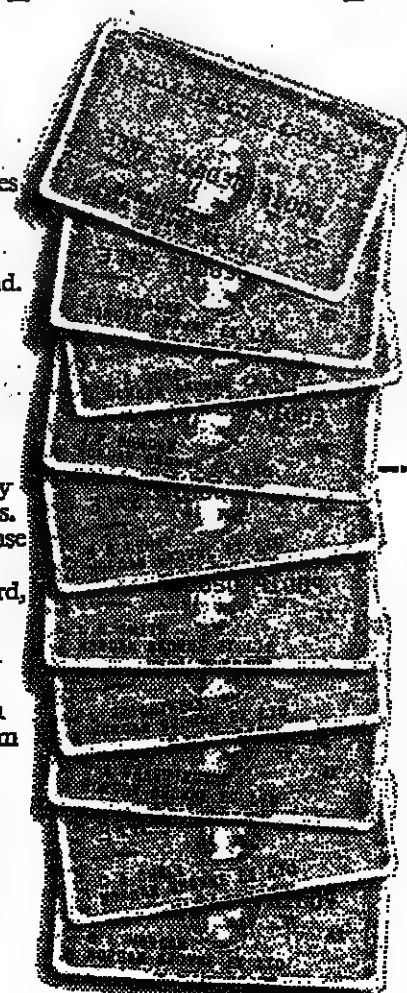
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THE SEASON of the year when the sun should shine, and when the property market stirs from its winter torpor, is an appropriate moment to glance once again at the tax position of those paying interest on house purchase finance. The general shape of the legislation is well known, but there are a number of quirks which are easy to overlook.

The law is to be found in the Finance Acts of 1972 and 1974, and its principal provision is that interest is deductible when paid on such borrowed for the purchase or improvement of land or buildings in the UK which are used by the borrower as his only or main residence. A whole series of questions spring from this phraseology.

The sums must be borrowed for the purchase or improvement—the precise wording is "a loan to defray money applied in purchasing...". It is clear that one can use one's own cash for the purchase, provided that one promptly replaces it out of the proceeds of the loan. Alternatively one can use a bank overdraft (a form of borrowing which can never qualify), so long as it is similarly and promptly replaced by the loan proceeds.

One can even borrow in advance of the purchase. The act contains a warning that interest will not qualify if the loan proceeds have been used for any purpose before being applied in purchasing or improving the land or buildings; but allowing the funds to lie in a deposit account for a few days before their application does not seem to draw down the ire of the Inspector of Taxes.

There are those who prefer not to live on land or in buildings. For them, the law provides similar interest reliefs for the purchase of houseboats or "large caravans". But rather more important is the extension for only or main residences of persons other than the borrower himself.

He can borrow not only for his own house but for a second one for a dependent. Within this definition are included his mother or mother-in-law, so long as she is widowed, divorced or separated, and also that sad individual described by the draftsman as "a relative of his or his spouse who is incapacitated by old age or infirmity from maintaining himself".

But why stop at two houses? The law allows tax deductible borrowing for a third if it is to be the only or main residence of the borrower's ex-wife.

The limiting factor, however, is the figure of £25,000. Except as indicated below, interest cannot be allowed on borrowings

in excess of this amount, and it applies not to each separate loan raised by the three-house man, but to the aggregate borrowings for all of his houses.

The figure was written into the 1974 Finance Act, and has remained unaltered through the five years that have elapsed. Perhaps this fact has burnt itself into our consciousness more than would otherwise have been the case because the opposition in 1974 consented to its inclusion only on condition that the figure must be re-enacted in each year's Finance Act. Mr. Rooker and Mrs. Wise thought it right to have personal reliefs indexed, but not this figure—and Denis Healey again left it standing in the Finance Bill introduced into the Commons on April 3.

### TAXATION

DAVID WAINMAN

We have looked at the law's requirements about application of the loan proceeds. We have also looked at what it says about the use of the house or houses concerned. The factor which ties these two together is that relief is available only on correctly applied loans, and then only for those interest payments made at times when the "use" conditions are met.

But this latter rule is subject to a number of relaxations. When a house is first purchased, for instance, interest paid within one year from the purchase date is deductible so long as the payer, (or his dependent), goes into occupation within one year after the payment date.

Secondly, absences from the house for up to a year at a time will not disqualify the interest. Where absence is a requirement of the individual's employment, absence of four years or more is tolerated—and it should be noted that this applies to absences elsewhere in the UK as well as to absences abroad.

The availability of relief was even further extended by the Finance Act 1977. A person such as a clergyman who is required to spend his working life in "job related accommodation" can nevertheless deduct the interest paid on a house which he owns. The only condition is that at the date of payment it must be his intention that he will in due course move into the house, and use it as his only or main residence.

Reference to the house whose owner lives elsewhere brings

to mind the parallel set of reliefs for lettings. Where a house is available for letting throughout the year, and is actually let for more than 26 weeks in the year, relief is granted against the rental income for loan interest.

The limiting factor in this case is not the figure of £25,000: an individual can borrow to acquire and improve as many houses as he likes, and there is no ceiling on those borrowings. But he can set the costs of that borrowing only against rental income. If interest paid exceeds rents, the excess can only be carried forward against the time when that position reverses.

The other two ways in which a borrower can legitimately push his head through the £25,000 ceiling are probably relevant to greater numbers of people. First, that ceiling was introduced in April, 1974 on the basis that it was to apply to loans made thereafter. Loans already in existence (whether granted for house purchase or not), were allowed a six year transitional period: during which interest would remain deductible before the axe fell on April 6, 1980.

Interest is therefore still deductible for one more year on loans of whatever amount, granted before April 6, 1974. Unless the law is changed again in the interim, the deductible interest will be the interest paid on £25,000 of the amount outstanding, and then only if the borrowing, when originally drawn, was applied in the manner subsequently legislated as correct.

The second permitted method of deducting interest on more than £25,000 of borrowing occurs when an individual purchases a new house without having previously sold his previous one. The £25,000 limit shifts over to the new borrowing—and whatever amount is still outstanding on the old house continues to qualify. The overlap period during which this can continue is one year from the date of the second borrowing—but the Revenue can extend it in what they consider to be appropriate circumstances.

It is interesting, but not necessarily conclusive, that the Revenue have indicated what their views are in relation to the capital gains tax exemption for purchase and sale of private residences. They said, on January 11, 1977, that because the "housing market was depressed" an overlap of two

years was permissible without any loss of capital gains tax exemption on either old or new house. This was of course conditional upon continuing intention to sell the old house.

Finally, borrowers frequently worry about the proofs required by the Revenue that funds borrowed for improvements have been spent in a way that is acceptable. The attitude adopted by Inspectors of Taxes seems almost wholly pragmatic—if the lender was prepared to make the advance for improvements, that is sufficient evidence that those improvements have been made.

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I We enclose a remittance, payable to Gartmore Fund Managers Ltd. \*For your guidance the offer price of Gartmore High Income Units on 14th April, 1979 was 71.2p.

I I have read the prospectus and I agree to the terms and conditions of the offer.

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## YOUR SAVINGS AND INVESTMENTS

What can savers expect from the main political parties? Here Labour's Harold Lever and the Liberals' John Pardoe talk to Tim Dickson. Sir Geoffrey Howe discusses his proposals overleaf

### Lever: CGT sweetener to offset wealth tax

FOR SAVERS and investors committed to Margaret Thatcher's avowed brand of free market Conservatism, the Labour Government's economics guru, must at least represent the acceptable face of Socialism.

In contrast to Denis Healey, the Chancellor of the Exchequer, who once threatened to extract "howls of anguish" from the rich, Mr. Lever openly represents the elements in his

coming to see that quite apart from the wealth required to advance the social services we desire the wealth required to make possible other achievements like greater equality can only come, at least for several generations hence, from a successful mixed economy.

Labour's 40-page election manifesto, which concentrates on issues such as social justice, more jobs and lower inflation, contains few tangible comforts or promises for investors.

Indeed the party's now well publicised wealth tax proposals, which are designed to tax individuals with net personal wealth of more than £150,000, does just the opposite. In spite of Mr. Healey's assertion that the proposals will only affect about one person in 200, the very idea of a wealth tax has emotive connotations for many people.

On the other hand, again by Mr. Healey's own estimates, a Labour wealth tax bringing in revenue of around £300m, is a relatively small measure and Mr. Lever hints that there may be compensations elsewhere for the investor.

He says: "Inflation has turned capital gains tax into more of a wealth tax than a tax on capital gains. As a wealth tax CTT will next year produce more than the £300m expected from the explicit wealth tax. It follows that the first claim on the revenue from the new wealth tax should be to annul the unintended wealth tax effects of capital gains tax."

Mr. Lever believes any future Labour Government "will take more account than in the past of the need to encourage the small investor especially in relation to direct investment as opposed to portfolio investment."

Mr. Lever attacks what he calls "the haphazard accumulation of tax concessions" that distorts the savings market and hopes Labour Government would try to achieve "a more balanced structure of tax which didn't produce so many intellectually indefensible anomalies."

The concessions for some types of investment, he says, were beginning to look like "bar-

party which argue that private wealth still has a vital part to play in the mixed economy.

Mr. Lever, who freely admits that he does not represent all sections in the Labour Party, passionately attacks what he calls "the old Labour Party prejudices."

"For several generations to come it is probable that the mixed economy will be the wealth-creating agency from which we hope to fulfil our social objectives. I believe that the Labour Party is

TO ALL but blindly loyal Liberal supporters, it is clear that John Pardoe will not be the next occupant of No. 11 Downing Street. His chances of influencing economic policy over the next five years therefore rest on the possibility of a "hung" Parliament.

So what can the saver expect if the Liberals again hold the

a pension has a big advantage over people who put their money directly into shares.

One way to reduce these unfair incentives is through tax cuts. And at the same time Mr. Pardoe would shift the focus of the system from income to spending by introducing a fully graduated expenditure tax with exemptions for all forms of savings.

Share ownership schemes are also dear to Liberal hearts and after their success with the 1978 Finance Bill (which provided for employee share schemes), the Party's next step will be a new productivity bonus scheme for public sector employees.

The Liberals say they will introduce a wealth tax in place of investment income surcharge while a Gifts and Legacies tax would replace Capital Transfer Tax.

Mr. Pardoe, however, is "coming round to the view" that one straightforward "accession" tax would probably be easier to administer than a wealth tax.

The accession tax would be cumulative over a lifetime and would be levied on the person who receives the assets. It would probably start at around 25% with a starting rate of 5 per cent. This would be a "great incentive to spread

He is vehement about the "gross distortions" in the savings market, whereby anyone who buys a house or invests in

balance of power? Mr. Pardoe points to the Liberal manifesto promise to reduce the top and basic rates of income-tax to 50p and 20p respectively.

He says: "I cannot envisage that we would do a deal with any party which did not secure a reduction in the basic rate of income-tax to 20p in the pound over three years."

MANIFESTO PROMISES

INCOME TAX: Starting rate to be cut to 20 per cent, top rate to 50 per cent; investment income surcharge to be scrapped; cash credits in place of person allowances; equal treatment for men and women, regardless of marital status.

INVESTMENT: Wealth tax on large fortunes; further encouragement for employee share schemes.

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## YOUR SAVINGS AND INVESTMENTS 2

Struggling entrepreneurs and pensioners can expect special favour from the Tories, Sir Geoffrey Howe tells Eamonn Fingleton.

### Howe: investors get the cream

ONE OF Sir Geoffrey Howe's main aims if he becomes Chancellor is to put the tax avoidance industry out of a job. He says: "The only small businesses I would like to see go are those that organise conferences on taxation."

The complexity of the present system is a recurring theme with him, and he is determined

"When capital transfer tax was introduced it started out as a bill with 38 clauses. Now twice that number of amending clauses have been added. We are not offering any tax upheaval. We can achieve a sensible balance within the present structure by adjusting rates and thresholds."

But what sort of rates and thresholds can we expect from a Tory Chancellor? Sir Geoffrey is keeping most of the figures to himself—and he warns that too much should not be expected from him in a first Budget.

But the tax burden will be lightened and two groups in particular can hope for special favours—fledgling entrepreneurs and pensioners.

He quotes figures showing how much more free capital middle managers in Europe have than their British counterparts. The people who could be setting up a whole new crop of businesses for Britain cannot save enough from their heavily taxed income to get going.

He also wants to encourage wealthy individuals and other potential backers to help entrepreneurs. New agencies might be formed to route venture capital to people with promising ideas. The investment income surcharge is a big disincentive for many people who might otherwise back a young entrepreneur, he reckons.

He sees investment income surcharge as particularly unjust in the case of retired people, who account for nearly half the tax's total yield.

He says: "Many people paying investment income surcharge have no pension. They spent a life-time building up a business and now all they have is income from the capital they realised when they sold it off. It is unfair that they should have to pay so much more tax than they would pay on an index-linked pension."

"Investment income surcharge is operating in a very destructive and counter-productive way. I get more letters on this subject than on anything else."

"We would look at the threshold. When investment income surcharge was introduced, investment income up to



Howe: keep it simple

£2,000 a year was exempt. To have kept up with inflation the threshold should now be £4,500 a year. In fact the surcharge starts at £2,500 for people over 65 and at £1,700 for others."

For other savers the main hope is that the Tories will fulfil their promise of a general reduction in taxes. On this score, again, the tax avoidance industry ought to look out. Sir Geoffrey says: "The higher the tax rates are the more incentive people have to avoid tax and the more time and talent is devoted to the task. Too many people are spending too much time on tax rather than investment or business decisions."

The Tories are committed to extending the existing worker share participation scheme introduced as part of the Lib-Lab pact. The scheme provides special tax exemption for workers receiving shares in their companies. Shares worth up to £500 can be issued to each employee each year and if he holds them for 10 years he has no tax to pay.

Sir Geoffrey points out that the Tories urged in Parliament

that the annual limit should be raised to £1,000 and the minimum period for tax-free sale should be brought down to five years.

He also wants to revive schemes fostered by the last Tory Parliament for Save-As-You-Earn schemes to allow workers to invest regular savings in their company's shares. Subsequent Labour legislation removed much of the attraction of these schemes.

In the longer term, the Tories can be expected to take a hard look at the anomalies in the present rules for taxing married couples. Sir Geoffrey, whose wife, Lady Howe, is deputy chairman of the Equal Opportunities Commission, has argued that the present structure discriminates against couples where one partner stays at home.

He points out that most working couples currently get a total of £2,520 in basic personal allowances whereas if the husband alone goes out to work the figure is just £1,335—although the total household income in this case will usually be much lower.

### Debenture fights an air-raid

WITH A roar and a thud, another nationalised industry pension fund is lumbering up against the investment trust sector. The railwaymen started the ball rolling a couple of years ago with a bid for Standard, and although that one eventually got away—the Pru played the part of the Seventh Cavalry—three other high-class investment trust portfolios have subsequently disappeared into the maws of the state pension funds.

Now British Airways pension fund is chasing after the Debenture Corporation with a bid based on its own definition of net asset value, which is currently just under £40m or around 89p a share. John Cowett, a shareholder in the Debenture Corporation's managers, will be circulating their initial response to the trust's 4,500 shareholders early next week, and they have

not given the airmen a rautorous welcome.

As well as a number of leading blue chips, the trust's portfolio also includes some sizeable stakes in interesting smaller companies, like Highland

the airmen will probably win the day, even if they have to up their terms by a few pennies per share. Again to judge, by past form, the investment trust sector will then go back to sleep again until the next pension fund shows its hand. A couple of years ago the hope was that the oversupply of investment trusts shares would be corrected by takeovers like this, and that share prices would rise relative to net asset values as a result.

In the event, this has not happened. Instead, institutional investors have tended to trade in the discount—that is, they have been buying investment trust shares when the discount on net assets has got

up to around 30 per cent, and have stopped buying when it has narrowed to around 20 per cent. Private shareholders have continued to be net sellers.

Some important changes have worked in favour of the investment trust sector, such as the abolition of the dollar premium surrender and the reduction in the rate of capital gains tax payable by the trusts. But this is really only tinkering with the problem. Unless there is some fundamental change in the political environment to end discrimination against the private shareholder, the investment trust sector will very gradually wither away.

#### INVESTMENT TRUSTS

RICHARD LAMBERT

Distillers or Allnatt London Properties, which would be difficult to build up by buying through the stock market. So, it may be argued, this scarcity value should be reflected in the bid price.

But if precedent is any guide,

### After the break

THE SUN has not yet set on Japan's remarkable bull market, according to stockbrokers Henderson Crosthwaite. Their Japan-watcher, Chris Heath, reckons the recent turmoil is just a short-lived eclipse.

Viewed from Tokyo, which Heath has recently visited, the

sterling terms but because Japan's exports now have a better chance in world markets.

Monday's higher Japanese interest rates will cut the growth rate by a whisker this year to 5 per cent and on Heath's figures cut corporate profits by about 3 per cent. But he is still recommending companies in export-orientated industries, machine tools and high technology.

Peter Lamaison of the Gartmore unit trust group thinks that Japan remains a good bet on a six months' view. But he is more interested in Hong Kong, where shares are down 6 per cent since February in Hong Kong dollar terms.

Again, seen through sterling eyes, the setback has been much greater. Hong Kong is having trouble with inflation. Lamaison blames spending on the new underground railway for adding to money supply problems; but the end of that tunnel is now in sight. The economy is fundamentally strong, private enterprise has a free rein and everyone works hard. The great white hope of trade with China is thrown in for

#### INVESTMENT

EAMONN FINGLETON

market is down just a few percentage points from its January high. But in sterling terms, as many unitholders know to their cost, the setback has been more dramatic. The yen has lost about a fifth of its value from its high and some funds have also been hit by the dollar premium's woes.

The result is that Japanese unit trust are now at the bottom of this year's unit trust league tables, following a superb performance last year.

Heath reckons the yen's setback represents a buying opportunity, not only because Japanese stocks are cheaper in

### A HORROR STORY for Director/Shareholders

Pre-tax profit	£100,000
Less Corporation Tax	52,000
Remainder available for distribution to you	48,000
Less Personal Tax @ 98%	45,567
Net amount available for you	£1,433

#### CONCLUSION:

Of every £100,000 of profit earned, only £1,433—less than 1½%—is available for you, the owners of the business, to spend.

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# Strength in Depth

Ultramar Company Limited is a British oil company which owns exploration, production, refining, shipping and marketing subsidiary companies in various parts of the world. The activities of the Ultramar Group comprise an integrated international oil business.

Extracts from Mr Campbell Nelson's Statement to the Shareholders

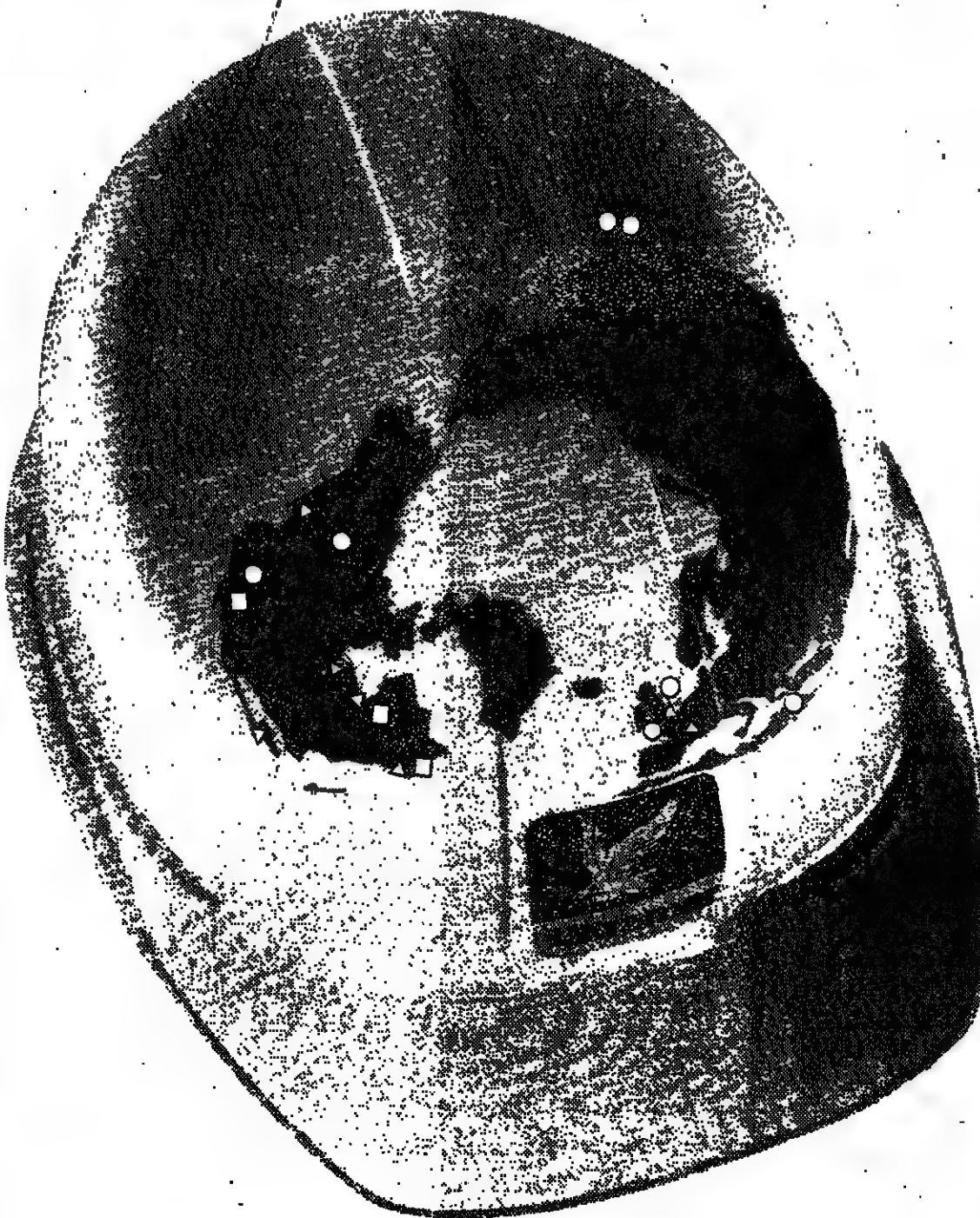
"We are recommending a scrip distribution of one new Ordinary Share for every fifteen Ordinary Shares held."

"Your Directors propose in November next to pay an interim dividend of 5p (net) per share on the Ordinary Shares as increased by the proposed scrip distribution. We expect to be able to follow this interim dividend by recommending a final dividend of the same amount at next year's Annual General Meeting."

"We decided to tell you our proposals early in the year so as to remove any uncertainty as to our intentions. We are able to reach this milestone in our history because we have strengthened ourselves operationally and financially and we are confident that 1979 will be another successful year for Ultramar."

"I believe the start up of cash dividends will not inhibit our growth. It will make for a better market in the shares so that there is a more positive response to our asset values, earnings and potential earnings."

"At the present time a preponderance of our profits comes from Indonesia. We also have valuable contributions from California, Newfoundland and Western Canadian operations. Our position in Eastern Canada is greatly strengthened by the acquisition of Canadian Fuel Marketers putting us amongst the five largest marketers of oil products in the whole of Canada. We have profits starting the beginning of 1979 from our recently acquired interest in the UK North Sea Thistle Field and also from the UK North Sea Maureen Field starting late 1981 or early 1982."



"Looking ahead over the next few years there is the probable expansion of the LNG plant in Indonesia. Much of our present capital expenditure is aimed at establishing the necessary additional gas reserves. There are also the projects for the catalytic cracker in Quebec and the modernisation of the California Refinery both of which would lead to sizeable additional profits. It is gratifying that the new North Sea Exploration Group in which we have a 33½ per cent interest, and of which we are the operator, has been awarded a licence in the Moray Firth area. We are also very pleased that the Phillips Group in which we have a 6 per cent interest has been awarded a licence covering a neighbouring block."

#### Summarised Financial Results

	1978	1977	1976	1975	1974
£000	£000	£000	£000	£000	£000
Sales	595,133	472,652	571,875	275,344	251,454
Cash flow from operations	31,632	26,744	17,019	22,754	21,691
Operating profit before taxation	37,786	24,709	12,323	19,741	16,167
Operating profit after taxation	16,231	12,598	7,353	13,587	12,503

The Annual General Meeting will be held at Winchester House, 100 Old Broad Street, London, EC2M 7EP on Friday 1st June 1979 at 11.30 a.m.

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## PROPERTY

## On the Brighton line

BY JUNE FIELD

Lady Bracknell: The clock-room at Victoria Station?  
 Jock: Yes the Brighton line.  
 Lady Bracknell: The line is immaterial.

Oscar Wilde: The importance of being Earnest.

IT IS NORMALLY only 55 minutes to Brighton from Victoria station and a signal failure, the latter delaying me when I travelled the other week. And it is this accessibility to the capital that accounts for the quick turnover of property with apartments currently in great favour, even though outgoings for rates, maintenance, central heating and hot water increase substantially each year.

"The property market for flats has continued to improve during the past year with a constant demand, particularly for modern central blocks with large units of three bedrooms and two bathrooms," says David Goldin, partner at Fox and Sons who have five offices in the area.

"Prices have risen substantially for all types of flats, but this may be held in check owing to the long delays in obtaining mortgage funds. Very few new blocks of flats have been built, and only a handful are under construction at the present time, and it is certain that the scarcity of flats available will have the inevitable reaction of pushing up prices; certainly of the modern purpose-built flats. Converted flats in Regency properties have a particular appeal, but there too, saleability often only increases when mortgage money is more readily available, as building societies can sometimes be difficult about conversions.

"Penthouses in any type of building are the most sought after, where anyway it is more

than likely that a sale will be a cash one. Prices are high, but as so many of those who want a penthouse by the sea, with easy access to the City, come from London or overseas, prices that we on the coast sometimes consider inflated are not thought expensive by more cosmopolitan standards. Anyone with a penthouse to sell is sitting on a gold mine."

As one might imagine, for the larger flats a great deal of the gold coming in is from Arabs, for over the last couple of years Middle Eastern buyers have bought into an immense number of Brighton's larger blocks, one Sheikh buying a place sight unseen from an advertisement, moving in within two weeks. Fox's look after the apartments for them, and Mr. Goldin has numerous Iranian, Saudi and Kuwait owners who come over with their families for about three months each June to what are known as their "escape homes".

"We have to organise things like domestic help and generally make sure that everything runs smoothly, including the fleet of cars that are left in the garage when they go home."

Incidentally, Mr. Goldin has kept scrap-books over the years of cuttings on property news and prices (national clippings, not only those on his firm), which make an impressive record of the ups and downs of the property market.

Principal luxury purpose-built blocks in Brighton and Hove include the vast Marine Gate overlooking the Marina, where two to four bedroom flats range from £20,000-£80,000, the new blocks in the more central Churchill Square area, Chartwell Court and Sussex Heights, where two-bedroom flats sell from £20,000-£35,000.

and Kingsway Court where two-three bedroom units go from £20,000-£100,000. Further back in Hove a two-bedroom Span flat in Park Gate, is on offer for £18,950.

If it's period property you are interested in drive along towards the Kemp Town end of the town. Agents' for sale boards proliferate on the tall elegant houses with their original wrought iron railings and canopied balconies. They are mainly advertising flats, because only rarely does a whole house come on the market, and then it is usually auctioned.

Bernard Thorpe and Partners also report an exceptionally buoyant housing market in Brighton, and that they are experiencing a tremendous demand for prime seaford flats. "Property is selling extremely briskly, often at prices which surprise us," admitted Brighton partner David Armour. Already all but four flats in the newly converted sea-front period block Hannah House, Brunswick Terrace have been reserved, although work is not due for completion for several weeks. One purchaser has bought three. Those left cost between £42,000 and £46,000 including fitted carpets.

Thorpe's also have several flats for sale in the nearby Regency Adelaide Crescent, which curves around landscaped gardens with views to the sea. Number 11 is a two-bed two-bath maisonette with a 35 feet by 30 foot drawing-room with original Regency carved fireplace and superb ceiling. It has a balcony of the three full-length windows, price £49,500. Next door, flat 3 at number 9, is on the market at £55,000, and has the unusual feature of a galleried study. Details David Armour, Bernard Thorpe and Partners, 18 Chessum Road, Brighton, telephone 0273 684997.

Fox's current list (write for one to David Goldin, Fox and Sons, 117 and 118, Western Road, Brighton, Sussex, telephone 0273 739201), includes a 3-bed, 2-bath penthouse for £75,000 at the modernistically designed Bedford Towers, King's Road, along the sea-front. As this is over the Bedford Hotel, hotel services are on tap if requested. The same applies to a maisonette for £35,000 on the 7th and 8th floors of the nearby Metropole Hotel with its health hydro.

A 3-bedroom, 3-bathroom



Period property in Brighton's elegant Regency squares and crescents is usually divided into flats. Enquiries Fox and Sons, and Bernard Thorpe and Partners, estate agents, who specialise in this type of property and will supply details of what is currently on offer.

penthouse I saw in a small moderately low-rise block built about three years ago in Summerhill Road, Hove, set back off the Western Road shopping centre, is most unusually designed. Several of the rooms are octagonal shaped, leading on to the sun terrace with spectacular views down the road to the sea or over the surrounding countryside. Particularly attractive are the lounge and grooved floor polished to a rich warm chestnut in the spot-lit sitting-room, the striking wallcoverings (silver in the hall), and grasscloth in the upper bedroom. This room, approached by a circular stairway, and with its own bathroom, mass of fitted cupboards and enclosed sun balcony, has an intimate secluded quality.

As all the rooms are a reasonable size, rather than large, the flat is easily manageable, the sort of place you could happily lock up and leave if you wanted to spend the winter abroad. It is £65,000 for the 98 years lease, or another £14,500 for all the stylish quality furniture and furnishings.

There is immense style too about a 3-bed, 3-bath ground and first floor maisonette with balcony and garden, along

Marine Parade, towards Kemp Town, Brighton, a few minutes walk from the Marina, where Seajet is scheduled to start its service to Dieppe on Friday. The maisonette belongs to actress Dora Bryan (she and her husband run the nearby Clarges Hotel), and it is in one of the handsome Regency houses which make up this stretch of the coast road. If you sit in the 23 ft 8 in by 9 ft 8 in sun lounge off the main sitting room, all you can see is the vast panorama of the English Channel. The price is £60,000 for a 99-year lease,

including carpets and curtains. If you prefer swimming in a pool to the sea, then the recently completed Varnham Park, off the London Road, Brighton, could be the answer. The complex, with its flats and detached and terraced houses, five minutes from Preston Village, has a communal heated swimming-pool among the water cascades in the gardens. Most of the property has been sold, but there are a few flats from £26,950-£29,950. Brochure Gordon Pearson, partner, Fox and Sons, 138 Old London Road, Brighton.



Contemporary-style apartment block, Marine Gate overlooking the Marina at Brighton. Flats are on offer from £20,000. Enquiries David Goldin, Fox and Sons, 117-118, Western Road, Brighton.



Attractive Spanish-style house, Cardoba, in Hove, in about an acre, has 5 bedrooms and 2 bathrooms plus a staff/guest suite with 2 bedrooms and a bathroom. £145,000 through David Goldin, Fox and Sons, 117 and 118 Western Road, Brighton.

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## TRAVEL

## Brussels millenium

PAUL MARTIN

FOR SEVERAL years past Belgium has tried to concentrate tourist attention on specific annual themes. There have been, for example, the Years of the Castles and of those magnificent Town Halls. Antwerp went to town on a Rubens theme in 1977 and this year sees the millennium of Brussels, the Belgian capital and a focal city in the New Europe.

After a thousand years it seems difficult to pinpoint an exact date, so, returning to Brussels last month, I asked why 979 had been finally chosen. Although the final settlement of Brucocella was mentioned earlier and part of the city still occupies the original site between the Rue Royale and the boulevards, the construction of the earliest protective fort dates back to 979. Incidentally and looking ahead, the modern Kingdom of Belgium celebrates its 150th anniversary next year.

In spite of all those multinational economic and political links, Brussels remains, in the very best sense, a provincial city with a series of villages and communities which gradually have grown together to form the present whole.

Modern Brussels still owes a considerable amount to the 1958 International Exhibition which prompted considerable reconstruction of the principal thoroughfares and access roads and of which the only visible reminder is the Atomium.

adopted 21 years ago as a then modernistic city logo. Yet an earlier building, the massive Palais de Justice, still dominates the skyline.

The heart of Brussels is a place in which to stroll at leisure through the narrow streets that provide access from the Central Station to the exquisite proportions of the Grand-Place, now happily free of the all-pervading parked cars during the daytime, and it is appropriate that this beautiful square, subtly and delicately floodlit at night, will play a leading part during the millennium.

While a series of special tours and hotel arrangements will cater for visitors from Europe and the rest of the world, the virtually year-long festival has been primarily planned for the benefit of the people of Brussels. Although the presence of so many international organisations within the capital has brought with it all the outward signs of affluence and prosperity, the Brussels of the 1970s is a city where you can relax and exchange the time of day over a drink.

The range of events planned is on a huge scale and I can only indicate some highlights. The Royal Palace will, this year for the first time, become a collection assembled from all over the world of the works of Roger van der Weyden, the 15th century court painter who spent many years in Brussels before

Brabant was annexed by the Burgundians and he moved to Beaune.

The largest single production will be presented at the Palais de Beaux Arts as the official musical opening of the millennium when a cast of 400 will stage The Damnation of Faust by Berlioz in the form in which the composer originally wrote it, the first production in the complete version since its unhappy premiere 133 years ago.

Ballet and sport all play their part and, from May until September, the spectacular setting of the Grand-Place will become home for shows of all kinds recalling the early days of Belgian music hall and, in a country where two cultures flourish side by side, folk and popular music from Flanders and the French-speaking areas will be represented.

One of Brussels' and Europe's great restaurants is conveniently close at hand and I enjoyed a superb dinner at La Maison du Cygne. Just over the road Le Cerf continues to play its elegant role as a Brussels equivalent of an English club where you can relax and exchange the time of day over a drink.

London has been for many years among Europe's privileged capitals with theatres and concerts running throughout the year but this will be a welcome summer innovation in the cultural life of Brussels. A great deal of thought and



Grand Palace, Brussels

planning has gone into the preparation of a programme designed to show off every aspect of Belgian life, often in the capital's superb natural settings. Full details are available from The Belgian National Tourist Office.

The excellent Time Off organisation, under which you can leave on any day, choose your means of transport, type of hotel and whether you want a bed-and-breakfast or a demi-pension arrangement, uses the pleasantly old-fashioned but attractive Hotel Astoria in the Rue Royale.

At a period when there were severe weather problems on both sides of the Channel with flights

cancelled, I give full marks to British Caledonian for keeping us fully informed at Gatwick and for providing swift and speedy access once conditions had returned to anything like normal.

Well as I now know the city, Brussels is a place to which I have always returned with pleasure and, after a quick return visit a fortnight ago, the winds seem set fair for a Capital Millennium.

ADDRESSES: British Caledonian Airways, Gatwick Airport, Horley, Surrey; Belgian National Tourist Office, 66, Haymarket, London SW1Y 4BS. Sealing Travel, inclusive Tours Section, Victoria Street, London SW1V 1JX. Time Off, 24, Chester Close, Chester, Cheshire, CH1 1JL. 780, Townsend, 127, Regent Street, London W1R 8LS.

## Badminton battles

MORE THAN 150,000 horse enthusiasts from both home and overseas are expected to converge today on the Duke of Beaufort's beautiful park at Badminton in Gloucestershire, for the critical — and most popular — part of the famous Badminton Three-day Horse trials Championships. This is officially called the "Speed and Endurance Phase" but is more popularly known as "spills and thrills" day when the 41 horses and riders from seven countries including the UK are asked to ride a series of gruelling tests in quick succession across some 16 miles of country. These tasks include two sections of roads and tracks totalling 9½ miles, a two-mile steeplechase course which has to be completed in an allotted time of five minutes, and, most spectacular of all, the 4½ miles of tough cross-country course in which horses and riders must navigate safely over 37 obstacles all of world championship standard with some of them rated as exceptionally severe.

This is where the thrills and spills occur. After the comparative calm of the preceding dressage phase, the competitors today will be required to give everything they have got in both stamina and courage and almost invariably there are casualties of various kinds — falls, refusals and other mis-

haps, which result in an accumulation of penalty points, pushing the unfortunate victims further down the line away from the £1,500 first prize.

The fittest and boldest combination that can complete this fearsome series of tests today with the smallest number of penalty points will be well in the running for the ultimate championship, the Whitbread Trophy, to be presented by the Queen after tomorrow's final show jumping phase.

Many of today's spills are likely to occur at the lake, where the crowds always gather to watch several riders get a duck-

stream which can be tackled in no less than nine different ways — the quickest being to jump the bridge itself, although this also happens to require boldness and accuracy.

Many of the stars of the eventing world are in the hunt for the highest prize, totalling nearly £5,000 in all yet awarded at any horse trial in this country. They include Princess Anne, riding the Queen's Goodwill, and her husband, Capt. Mark Phillips on another of the Queen's horses, Columbus. The ever-smiling Lucinda Prior-Palmer, who is the leading lady three-day event rider in the world, and who has won Badminton three times already on three different horses, is bidding for yet another victory riding both Village Gossip and Killarney. Mrs. Jane Holderness-Roddam, who is another former Badminton winner (in 1968 and 1978) is also in a strong position with two rides on Warrior and Just So.

The competitors from Australia, Belgium, Denmark, Ireland, Sweden and the U.S. will thus have their work cut out to do well against the formidable array of talent among both horses and riders fielded by the home contingent. This is especially so because the UK competitors know that their performances at Badminton this weekend will do much to determine whether or not they are selected for the British team for the European three-day event championships later this summer at Lunnun in West Germany, and perhaps also for next year's Olympic equestrian team.

## HORSE TRIALS

MICHAEL DONNE

ing as they jump into and out of the water, across some unyielding wooden obstacles including a small boat, a tree trunk and an upturned punt.

The trials director and designer of the course, Col. Frank Weldon who has in the past been both a winner at Badminton and an Olympic gold medalist, has based some of his ideas on last year's world championship three-day event at Lexington, Kentucky. These include the "Dog Kennels", two fences comprising a series of enclosures through which the competitors must spread their way at high speed, and a massive footbridge over a

## TRAVEL

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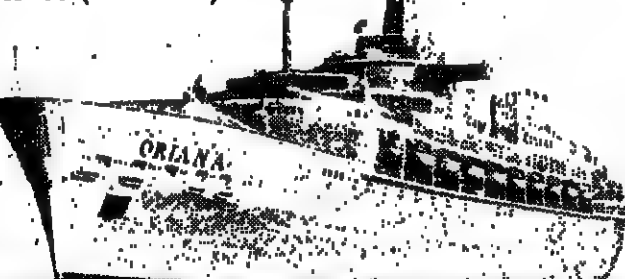
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مكتبة الشامل







## LEISURE

## Man made beauty

THE CONTRASTS that can occur within one family of plants is fascinating. Consider the two really popular begonias, on the one hand that favourite summer bedding plant *Begonia semperflorens*, which really does justify its name by flowering non stop just as long as there is enough warmth to keep it growing, and on the other hand the tuberous rooted hybrid begonias so popular as pot plants and now making a name for themselves as outdoor flowers.

*Begonia semperflorens* is a species, a plant that actually grows in the wild much as we know it in gardens though with less range of flower and leaf colour. These have been ex-

The seed compost must be fine and smooth surfaced, the seed either not covered at all except for a pane of glass and a sheet of newspaper over the seed pan, or at most be given the merest peppering of fine peat and sand. Even the seedlings are tiny and difficult to handle so many home gardeners opt for buying young plants of *Begonia semperflorens* in late May or early June when it is time to plant them outdoors.

With tuberous rooted begonias there is another option, to purchase dry tubers now, start them growing under cover in moist peat or shredded bark and, when they have produced a few leaves, to pot them individually either with the intention of growing them throughout in pots or of hardening them off and planting them outdoors when there is no further risk of frost.

Belgian growers, especially a colony of them who have operated for many years near Ghent, have made this easy by producing vast quantities of tubers and steadily improving the quality of their flowers at the same time. At present the annual production is running at about 80m tubers most of which are sold to other European countries. The British market is growing slowly but not as fast as the Belgians would like. Maybe the price puts people off—something like 30p a tuber—but this need not be an annual expenditure as *Begonia* tubers are easy to store as dahlias tubers, in fact easier since they take up far less room. Large tubers can be divided with a knife rather as one would cut up large seed potatoes.

## GARDENING

ARTHUR HELLER

tended by painstaking selection. But the flowers are individually small, though collectively numerous and effective, in the typical *Begonia* fashion and though larger flowered races are being produced it is the small ones that are still the top favourites.

There is nothing wild or normal about the tuberous rooted hybrids which are wholly man-made plants with, in the best forms, very large, fully double flowers sometimes smooth petalled sometimes frilly petalled with wonderful colours and colour combinations. Like a domestic animal they are totally dependant on man for their creation and maintenance but, also like a domestic animal, they breed true to type.

Both races of *Begonia* can be raised from seed but the seed is unbelievably small, almost like snuff, and it takes a bit of handling.

Gladioli show the same tolerance to being lifted each autumn, stored dry in any frost proof place during the winter and then replanted the following spring and in their case it is not even necessary to start them under cover. They are hardy enough to go straight into their flowering positions in April or early May provided they are covered with four or five centimetres of soil to protect them from night frosts. By the time their shoots come spearing through they should be quite safe as they can survive a degree or so of frost so long as it does not continue for long, which the radiation frosts of May seldom do.

Modern races of gladioli are as man made as tuberous rooted begonias and as much an amalgam of many species. Also like the begonias, these races breed more or less true from seed so that one could regard them as domestic species. Dutch and American growers have been the most prolific breeders and so many varieties pour out each year that it is quite impossible to keep track of them all. I notice an increasing tendency to market corns under colour rather than name. If this results in a lower price it seems a sensible thing to do



Begonias

for the overall standard is now so high that there really are no bad varieties. It is only for exhibition that named varieties are still essential.

This is because of the very stringent and completely artificial qualities by which exhibition gladioli are judged. The flowers in a spike must all face one way, they should be sufficiently large and closely spaced to make a continuous spike without gaps, there should be quite a lot of them open and in good condition at the same time, and still some more buds to open so that the spike has an attractive tapered top. I am not decrying any of these qualities but they are much less important in the garden, or even when one is using gladioli as cut flowers in the home, than they are on the show bench. Not all varieties can produce exhibition type spikes and that is why serious exhibitors must get to know the best varieties for their particular purpose.

I have just received samples of a new race of gladioli with large individual flowers on a relatively short spike. In a way this is a step back towards the species from which the garden races were produced for none of them is very tall, but it

seems to me to be a step in the right direction, at any rate where gladioli are used primarily for garden decoration. In the search for flower size heights have tended to increase until 1.3 to 1.5 metres has become the rule rather than the exception. It is impossible to grow such tall varieties without staking which is a nuisance and an eyesore. The new race is said to have a height range from 50 to 75 cms and has been named *My Love*. It has been produced by Konyenburgh and Mark, famous Dutch breeders of gladioli who also raised the popular *Butterfly* varieties.

So far as I can gather no attempt is being made to market individual colours, let alone name individual varieties. The strain will be offered as a mixture of colours, some pure, others with throat markings contrasting with the colour of the rest of the flower. Samuel Dobie of Llangollen are the British distributors and the price is three corns for 60p, or 10 for £1.50, not so very different from the price of tuberous begonias when you come to think of it. But gladioli multiply more rapidly than begonias and quite naturally. There is never any need to use a knife on them.

The inevitable consequence of all this is that more and more stores are offering displays where co-ordination is done in advance—in the form of neat displays of assorted wear carefully arranged so that we buy the look rather than just the items. And more and more stores are turning to brand names which produce their own co-ordinated selection.

Among the latest to leap into the British fray with a direct assault in this field is Courrèges, which has recently opened a newswear boutique in Old Bond Street, London. The Courrèges range is tempting stuff indeed. Do not expect to find suits and ties. Instead you will discover an enticing assortment of leisure wear ranging from superbly cut and well made V-necks to sports trousers, blouses, and a good range of rainwear.

At Courrèges you will emerge with a strong impression of white and blue. At the Etienne Aigner selections to be found

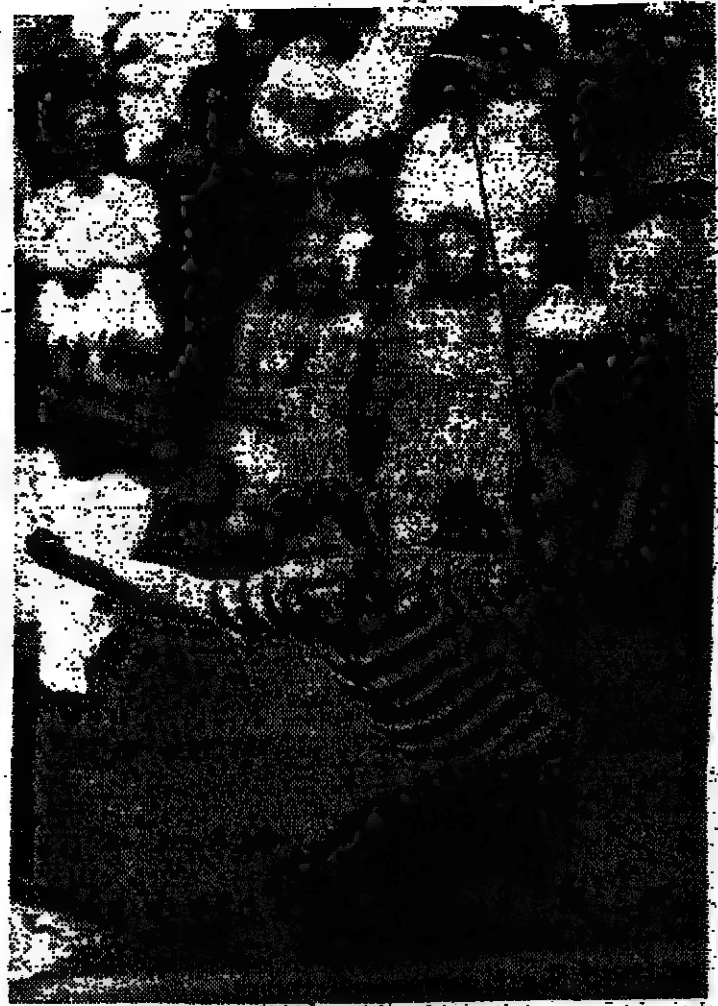
## Sudden death

IN FOURTEEN years of covering the Masters tournament in Augusta, Georgia, there have been many magical finishes. But not one of them was as emotionally draining—at least to me personally—than the high drama of last Sunday, culminating in the first sudden death play-off of such competing brilliance as to be almost heart-stopping. Every facet of it will be the subject of argument and discussion wherever golf is played for months, if not years. I beg your indulgence while presenting a few of my own most lasting impressions gleaned from my perch on the TV tower at the 15th hole, and later from conversations with the principals in the tomb-like silence of our basement studio in a cottage alongside the clubhouse, and later in the mens' grill.

In my opinion, and it is so easy to be wise after the event, Sneed lost the Masters because he either consciously, but much more likely sub-consciously dropped his guard and relaxed after his brilliant birdie at the 15th hole. He had put him three strokes ahead of his nearest rival Tom Watson, who was playing alongside Fuzzy Zoeller—then four shots adrift—immediately in front of him. Sneed was able to watch this pair play the 16th hole in par three apiece as he suffered a seemingly interminable wait while his own partner, Craig Stadler, had to have the huge crowd to the right of the 15th green moved away while he played two shots from among the trees to reach the putting surface.

In retrospect the beaming smile on Sneed's face as he acknowledged my congratulations as he walked past my tower on his way to the 16th tee was that of a man who believed he had virtually finished his work for the day. Alas, "Eager Edgar," as he is affectionately known by his touring colleagues, then proceeded to play a series of strokes that resembled the classiest of elegantly steered pushes to long off for the easily gleaned shingle. There was none of the customary firmness at impact or the handsomely high hands at the top of the follow through as Sneed tried to play safe to the right of the front bunker at the 16th, and found instead a place from which three putts were virtually par. But his cardinal error was committed at the 17th, in that he tried to place his second shot close to the hole for a birdie, when a ball—anywhere on the green followed by two putts for par—would have allowed him the luxury of a one over par five for victory at the wickedly dangerous 18th, and a triumphant walk to the customary ovation accorded champions at the top of the hill.

Instead Sneed's second, consecutively wasted stroke and Zoeller's previous splendid birdie three at the 17th put him under pressure to make par. And in all truth Sneed's second



Triumphant Ed Sneed

shot wide to the right of the 18th green was that of a man who had finally come unglued. The pulled putt for par was a stroke typical of one whose nerves had finally betrayed him. I have been asked since many times why only Watson, and not both he and Zoeller, were shown on TV watching poor Sneed's final indiscretion. The answer is that Zoeller, having imagined that his slap-happily scrambled par four at the last had deprived him of the chance

had recorded birdies at the 15th and 16th holes to reduce Sneed's overnight lead from five to three shots. But after dropping a stroke at the par three 14th, he could come up with nothing but par until taking three critical putts on the 14th green for the second successive year. Once again this "nothing" hole had destroyed Watson, despite the majesty of his subsequently towering wooden club second shot to the 15th green for his third and last birdie.

## GOLF

KEN WRIGHT

of a play-off, had typically adjourned to the bar, and had downed two beers before being dragged away to resume playing.

Watson had so many chances and squandered them all so prodigally on the greens that he was the first to admit with characteristic honesty that he had not deserved to win. He

What a contrast that glorious shot made to the miserably feeble wedge shot Nicklaus played into the pond fatally to forfeit his last clear-cut opportunity for "birdie," although goodness knows he made a marvellous par.

The young Nicklaus understandably shed tears of frustration then. But nothing in all my experience since was sadder than these shed uncontrollably by Sneed as he entered our TV studio for the presentation of the coveted green jacket to a charming, lovable rival who makes Lee Trevino appear almost studious by comparison.

## Getting it together

MUCH OF the agony of newspaper writing today lies not in finding the right phrase adequately to describe this or that scene, this or that political nuance, or this or that writhing scandal it resides instead in the risks of appearing socially unaware. No area is more dangerous than that involving the sexes. To refer to a woman (never, of course, a lady) as pretty is to be patronising and sexist. To refer to a man as good looking is somehow to cast doubts upon his virility. Both may result in

letters from angered guardians of equality.

Well, equality may be marching on but, at the risk of provoking those letters, there is one field in which differences remain. Perhaps it is years of conditioning to a sublimated culture, but women seem to have a much greater sense of colour and co-ordination than men. I suspect that the failure of colour, in any but the most muted sense, to make an impact on menswear, whatever happens to style, is, to a large extent due to our overall fear of having to decide what matches what. For most of us, in making myself, it is a secret world.

In evidence I will bring any largish menswear show and compare it with its female equivalent. In the design sense women wear is off the holi around still in the wake of Annie Hall. Its colours may be quiet and subdued away from the disco-culture of satin peg pants, but at least there is colour. Menswear on the

other hand, while bubbling away with new fashion trends, is solidly stuck with variations on the old grey/navy/beige theme. Recent ventures into subculture will probably die the same death they did ten years ago.

The leisure wear for this summer is fairly typical of what we force upon ourselves. There it is in row after row: off-white with beige trim, navy

## FASHION

ARTHUR SANDLES

with white trim, grey flannel with no trim and perhaps here and there an occasional flash of daring mud green. But will any of us allow ourselves to be forced into anything else? Certainly not.

The inevitable consequence of all this is that more and more stores are offering displays where co-ordination is done in advance—in the form of neat displays of assorted wear carefully arranged so that we buy the look rather than just the items. And more and more stores are turning to brand names which produce their own co-ordinated selection.

Among the latest to leap into the British fray with a direct assault in this field is Courrèges, which has recently opened a newswear boutique in Old Bond Street, London. The Courrèges range is tempting stuff indeed. Do not expect to find suits and ties. Instead you will discover an enticing assortment of leisure wear ranging from superbly cut and well made V-necks to sports trousers, blouses, and a good range of rainwear.

At Courrèges you will emerge with a strong impression of white and blue. At the Etienne Aigner selections to be found

in New Bond Street, at Harrods in Knightsbridge and at Simpson, Piccadilly, there is an immediate impact of beige and soft brown. I particularly like the look of some of the Etienne Aigner blouses outfits for travelling. Beware, however, for these are not sold at Burton prices.

Both these manufacturers are examples of co-ordination which is done in advance. Buy your entire summer outfit from one brand name and it will blend. Courrèges has the nasty habit of plastering its brand name prominently over things, but the shop will remove this for you if asked: anyone who does not recognise it for what it is must surely not be worth impressing. You will find attempts at co-ordinated salesmanship in most of the stores today. Hornes is a particularly active protagonist of the total look, as is Austin Reed. It is all very appealing. But at the bottom it is due to a basic male inadequacy when it comes to choosing clothing that actually goes together.

## Shirt tales

I possess an archetypal shirt. Only one, but there is not a week goes by when I do not find it appropriate for almost any event. It can be worn with a grey flannel lounge suit, with jeans and sweater, with a casual jacket, or simply, on its own, for the million dollar look of the relaxed heir to Daddy's multinational corporation. It cost, a couple of years ago, less than \$20. It is the original genuine (look—I'll show you the label) Brooks Brothers blue cotton button-down Oxford shirt.

Like all true classics, it is timeless, scornful of fashion, yet always right on its button-down target. The collar is small, the shirt body straight-cut. It is, so far as I am aware, available only from Brooks Brothers in America. They do not yet have a London branch, though I pray for the day.

Meanwhile, the button-down look is currently in vogue as a complement to suit lapels which, becoming progressively narrower, require thinner shirt collars to balance the line. The blunt-edged collar has been around since last season at least, and most "male boutiques" will stock them. But there is a problem—the tinnier the collar the more intrusive the tie.

Recent menswear shows in Milan tended to favour fractionally bigger collars, because the suits themselves had reached the point of ultimate slimmness and could go no further in that direction.

The Italians, having reached their logical conclusion, are returning to width—which should please a number of English manufacturers. The ranges of shirts at Marks and Spencer, when I looked at the beginning of April, showed slightly smaller collars, but still very much middle of the road. Neither thin nor full. Average. London's Jermyn Street shirt-makers have also remained cautious and carried on doing what they have done for years and in good style. New and Lingwood, with its unexcep-

tionable collar, is probably winning through by sheer conservatism. Turnbull and Asser collars are wide—but it caters extensively for an American market and the American tourist trade in London, and must respect the desires of less fashionable middle-America. Harvie and Hudson, although still moderate in its approach to fashion, perhaps tends to make its collars too long and pointed for even middle-of-the-road fashion.

In times of stress, between a dying fashion and the resurrection of another, Marks and Spencer shirts seem a good bet. Pure cotton shirts from £6.99 to £8.99 are, as ever, remarkable value. Jermyn Street will ask prices nearer the £15 to £20 bracket, but, to be fair, their shirts can be made to measure and the quality of cloth is superlative. In the men's show in downstairs Simpson's of Jermyn Street, Italian and French imported shirts are likely to be expensive but fashionable. Just as fashionable, and half the price, are the shirts at branches of Take Six where value for money rivals Marks and Spencer.

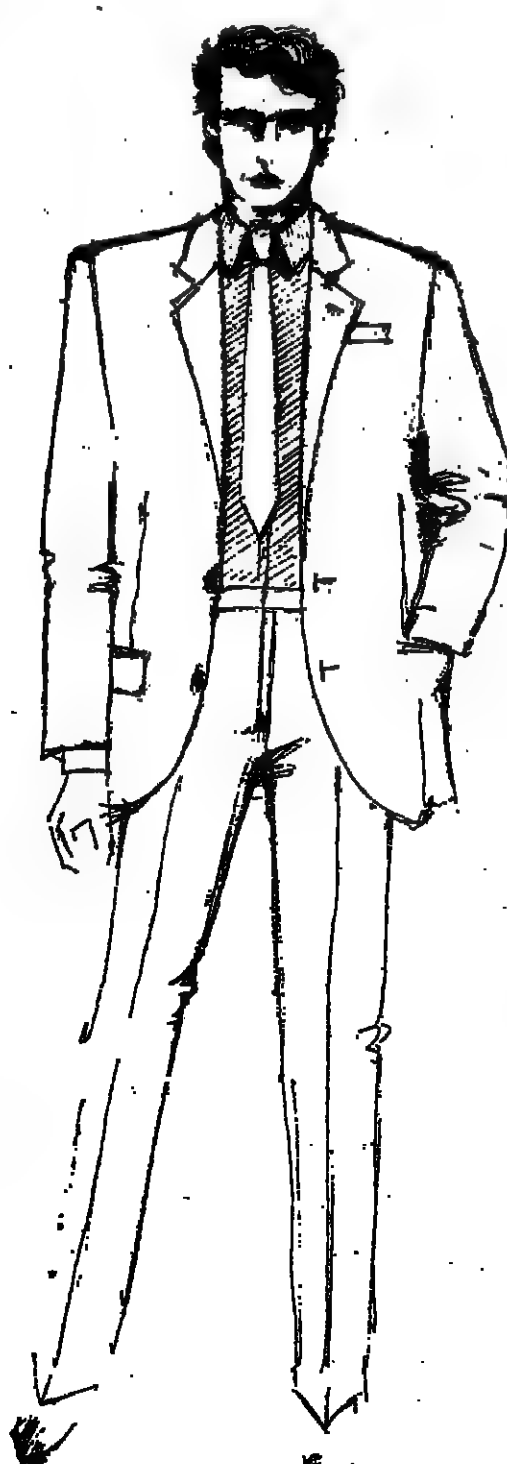
White and a clear mustard are the colours for spring and summer. Less vibrant than paint-box primaries, the mustard fades in some cases to a gold—very nice with a tan. More sporting is the new range from Van Heusen—lovely fabrics, sporty styles, and looser cut than usual from this well established middle-of-the-road company.

The shape of things to come is interpreted by Paul Howie in his latest collection looking forward to autumn/winter—two tone riders, of the purple sage cowboy shirts in dark blue and grey with a vibrant pink tie, red velvet with purple patches on the shoulders, neat spread collars and—wait for it—the return of the bum-freezer jacket. When skirt lengths rise, it appears that the share index also rises. Who knows what it's likely to do when the jacket of your suit rises to just below your waist.

IAIN FINLAYSON



On the right is a sketch of a new range of Italian fine worsted suits made in some very attractive light colours by D'Avenza at Carrara for Gieves and Hawkes. The drawing may make this £220 edition look a little over-the-top but the suits hang superbly well. Above is a Montague Harris suit in pure wool. It has a currently fashionable ventless cut and is in beige/grey check effect. It retails at around £78.



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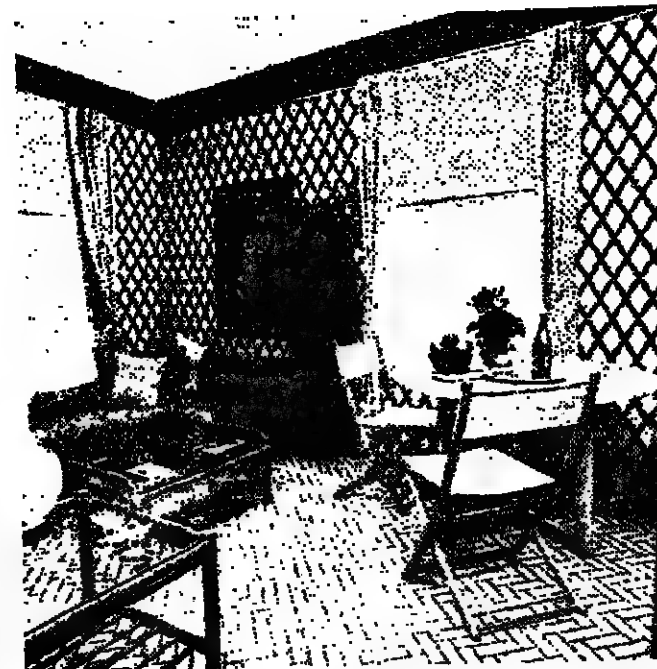
## HOW TO SPEND IT

## Furnishing by the book

As travelling by public transport becomes more expensive and parking more impossible, there is a lot to be said for shopping by mail. Postage and carrier charges, of course, have to be taken into account but it still is often easier and more convenient to browse through a brochure at home and then send off an order by post, knowing that from then on you just

sit back and wait for the goods to arrive. Furniture, particularly, needs thinking about; it needs accurate measurements which you can size up in your own home, and so, well planned brochures which give all these details come into their own. If you're worried about the feel of the wood, the exact colour of a fabric, then the two firms mentioned this

week both have showrooms where, if you want to see the pieces in the flesh so to speak, you can do so. One of the firms, Remploy is an old favourite of mine, at long last available to everybody by mail; the other has been around for some time but seems lately to have blossomed out into a cheering addition to the few attractive furniture store chains we have.



A room furnished with fabrics and furniture from the New Dimension collection.

IT'S lovely to welcome an old friend to a wider market. Many architects and designers have known about Remploy's Lundia storage system for years (indeed one of our leading architects is known to have his home almost entirely shelved with Lundia) but it hasn't been easy for the general public to get hold of it. On the whole, Remploy sold their Lundia range only to trade or contract buyers and a limited selection of it was available through Habitat for a few years. Now, however, they are offering it to everybody all over the country and they are launching their mail order system with a splendid full-colour catalogue which shows all its many permutations and uses.

For those who are not familiar with the Lundia system it is one of the most sensible storage systems in the world. It was designed by a Swede named Lundquist 28 years ago in Sweden, and Remploy have been manufacturing it under

licence in this country for 25 years. The system is based on strong, simple struts and frames all made of solid pinewood. At its simplest it consists of uprights and shelves. To this can be added a selection of chests, drawers, cupboards and wardrobes. You can order Lundia virtually by the yard, that is you can order enough to fill an entire wall, or enough just to house a few books.

Lundia comes ready to assemble yourself at home and though I wouldn't say that it could be done in the twinkling of an eye, most reasonably competent handymen should be able to put it up without much difficulty. There is a polished or unpainted version.

As you can see from the pictures Lundia can provide a flexible storage system—on the left of the photograph, below left, it is used for holding all the family paraphernalia, the books, the hi-fi, the records, the objects collected on travels. The shelves can be adjusted to adapt to the changing needs of the family—as more books are bought extra shelves can be added or if you need a larger space to cope with a television set or a record-player you could remove a shelf to house it.

Lundia can also be very simple—as shown in the photograph of the bookshelves—just a frame and the adjustable shelves. I think it provides one of the most sensible ways of housing a record-player and records—as you can see in the photograph top left. The struts separating the records can be moved about at will.

I like Lundia best at its simplest—that is the collection of shelves and chests that make perfect wall-storage. I like it used for housing collections of objects, in a kitchen where a simple system is all that can be afforded, for housing books or records. However, if you like it can provide complete cupboard storage in a bedroom (in my opinion this is visually a little heavy, but it is certainly practical). It makes admirable nursery shelving and can bring order in a dash to the garage, the sewing-room or the study.

Prices are exceedingly reasonable and anybody who is interested in the system can see it at any one of Remploy's six showrooms (22 Bruton Street, London W1; others are in Birmingham, Bristol, Oldham, Wrexham). The showrooms are open from Monday to Friday, from 9 a.m. to 5 p.m. and if you want to order a catalogue you should write to Remploy Ltd., Collingwood Mill, Glodwick Road, Oldham. Delivery is by National Carriers and should take about 5 weeks for the unpainted shelving, 7 weeks for the polished, though as time goes on Remploy hope to reduce the waiting time.

SINCE I last wrote about the New Dimension group of furniture stores about 18 months ago they have developed enormously. I see that I wrote then that the average customer would find little "to surprise or astound but if you are looking for a good, sturdy design of say, a glass, or a chair, a light fitting, or a range of storage fittings, then New Dimension is almost certain to be able to provide it." I am happy to say that since then it has become a lot more exciting.

This week sees the complete revamping of their large Ealing store (at Manor Road, West Ealing) where Tom Ellery has been in charge of arranging the furnishing of furniture and accessories into attractive and accessible groups. It also sees the launching of a new full-colour mail order catalogue so that readers who don't happen to be near one of the 35 branches they now have, can still have access to their furniture. Equally, readers would like to be able to check on prices and measurements before committing themselves will find the catalogue just as useful.

Since last I wrote about it the range has been filled out in a most attractive way and prices strike me as being some of the lowest I've seen. I very much like their collection of rattan furniture—shelves and screens, tables square and round, low and high. I liked, too, their new fabrics, specially commissioned from Susan Collier and Sarah Campbell—there are three designs in several colourways, some of which can be used together to create a rich, inter-related effect without matching too precisely.

There is a large selection of chairs at exceedingly reasonable prices—caned-seated lacquer chairs at £29.00 each, a slim and elegant chrome version of the folding director's chair for £15.00 and simple kitchen chairs with high-backs and rush seats for £9.95.

One of the brightest ideas in my view is what the catalogue describes as a "display" table. A display table is round, is covered with a round, to-the-ground cloth and is much to be seen in grand drawing-rooms sporting elegant lamps and other smart accessories.

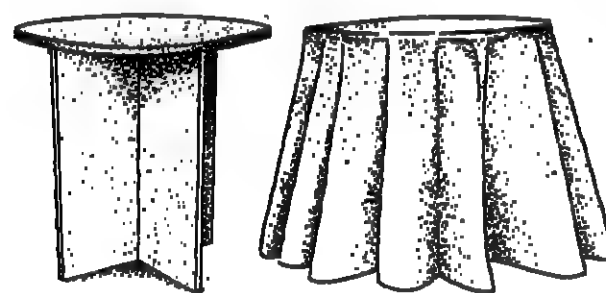
New Dimensions' managing-director, Desmond Preston, had

the bright idea of having them made up in chipboard, and selling them in a neat box for £10.95. The customer has to put the table together at home and included in the box are instructions for making up the round cloth to cover it. At the moment the table comes in just one size 74 by 79 cm round, 29 by 31 ins in diameter, but two more sizes will be available shortly, one larger which will make an excellent and inexpensive dining-table and one smaller which could be used as a coffee-table or bed-side table.

Among other things to look out for is their new collection of designs based on an inexpensive Portuguese source of marble—some lovely plain square low tables, a nice high round table on four sturdy legs. There is a fine selection of prints including a set of six taken from Captain Thomas Brown's "Illustrations of the American



Above: a charming summary-looking sitting-room furnished from the New Dimension catalogue. Below: the drawings illustrate the display table, which is made of chipboard, in its bare state and secondly, as it should look, covered with a cloth.



## Beans means variety

BY JULIE HAMILTON

## Pintolini starter—serves 6

Pinto beans are medium-sized and speckled, suitable for cooking like baked beans and very decorative in a salad. This recipe makes an original starter or can be served as a family supper dish on its own.

6 oz Pinto beans, 8 medium-sized tomatoes, peeled and sliced, pinch of fennel seed, 6 average-size mushrooms, 1 cabana sausage, soy sauce, 1 small onion, 1½ tablespoons olive oil for frying, 3 cloves garlic, 4 pint cheese sauce with 2 teaspoons wholegrain mustard added, salt and pepper to taste.

Wash the beans and soak overnight. Boil in water with salt and pinch of fennel seed until tender. Drain well and set aside. Chop the onion and fry

Flageolet Verts (young green haricots) are the comparatively familiar delicious little green beans. Soaked overnight and cooked in boiling water until tender, they enliven any salad. Served with garlic or parsley butter, they are a delicacy. Try them mixed with equal amounts of raw, finely shredded white

## Hungarian haricot bean soup—serves 6 to 8

For soup you can use two or three different beans, unless you want to make a cream soup, in which case a mixture results in an unattractive colour. This recipe uses haricot beans but if you can easily get other varieties, employ the same method.

8 oz haricot beans, 4 pint stock made from bacon rind and effects and vegetables, 3 bay leaves, 2 oz lard, 2 oz flour, 1 small onion, 1 teaspoon salt, 8 fluid oz sour cream, 1 teaspoon paprika (sweet or hot according to taste).

Having soaked the beans overnight, cook them in the strained stock with the bay leaves and salt. Make a brown roux with

8 oz Blackeye beans, pinch of fennel seed, pinch of salt, 1 tablespoon very finely chopped mint, 1 tablespoon white wine vinegar, 1 tablespoon soy sauce, 5 fluid oz soured cream, 1 heaped teaspoon caster sugar, a little freshly ground black pepper.

Wash the beans thoroughly and

soak overnight. Add the pinch of fennel seed and salt to the beans in enough water to cover them by one inch, bring to the boil and simmer until the beans are tender (approx. 15 minutes). Drain well and put in a serving dish, add all the other ingredients and mix gently. Serve hot or cold.

To reheat, cover the dish and place in a warm oven, gas mark 1 or 2 (275°F or 300°F), until hot.

## Baked sour flageolet—serves 6

8 oz flageolet verts, 2 eggs, 2 cartons plain yogurt, 1 teaspoon dill weed, salt and pepper, 1 oz butter, 1 dessert-spoon lemon juice, 1 dessert-spoon flour.

Place the cooked beans in a

## Flageolet verts and Kura Mame bean salad—serves 6 to 8

John and Sara Gosling have given their original recipe for a bean salad. It uses Chinese black vinegar which has a distinctive flavour and can be bought in oriental shops, as can the sesame oil, which is wonderful in salads. If you cannot find the Chinese vinegar, use wine vinegar instead.

6 oz flageolet verts, 6 oz Kura Mame (black soya beans), 1 onion finely diced. For the dressing: 2 cloves garlic finely minced, 3 tablespoons Chinese black vinegar,

of different sorts of dried beans, peas and lentils, imported from all over the world. Adzuki, Blackeye, Lima, Flageolet Vert, Mung, Pinto, Kura Mame... the very names are an invitation to experiment and have fun.

Do not approach beans in a faddish way, using them as substitutes for meat dishes. Enjoy them for what they are, in all their tasty variety. Many people regard all dried beans as much of a muchness, but it depends on the variety. I have devised a number of recipes using those beans that should not be too hard to find in continental, oriental or health-food shops. I have also tried out an original bean salad recipe, invented by the Goslings.

Given a good basic dressing, almost any bean will make a delicious salad or enhance a hot-pot. One practical tip: to aid digestion and avert windy after-effects, put a pinch of fennel seed in the water or stock in which you cook the beans.

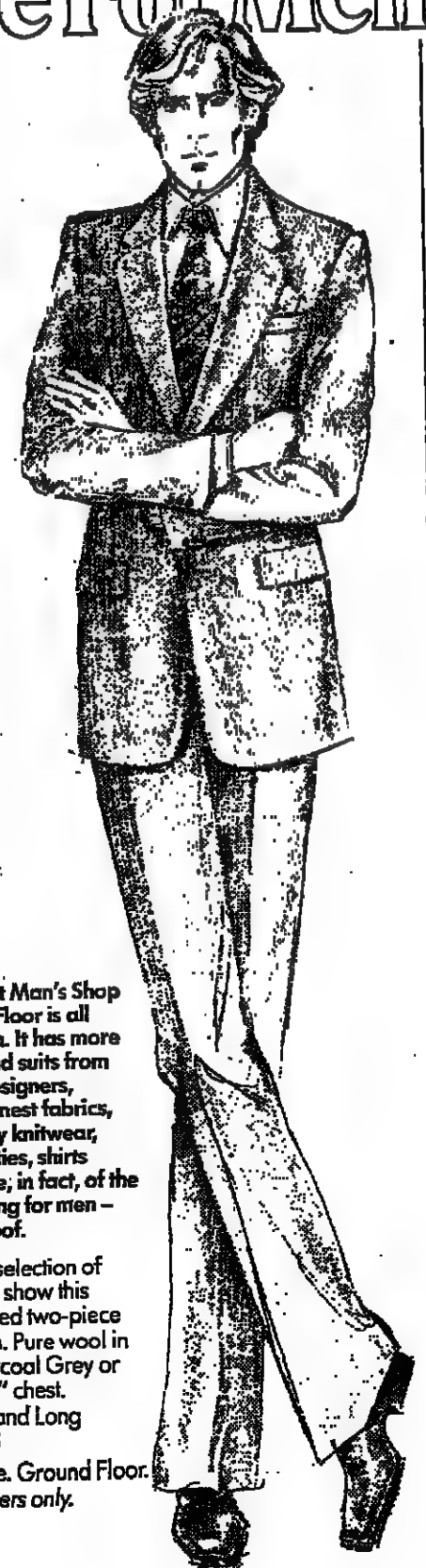
Blackeye beans are particularly versatile because they absorb other flavours so well. Cook them with your favourite herb or stock, serve with a knob of butter and you have a delectable vegetable dish to accompany any meal.

John and Sara Gosling have given their original recipe for a bean salad. It uses Chinese black vinegar which has a distinctive flavour and can be bought in oriental shops, as can the sesame oil, which is wonderful in salads. If you cannot find the Chinese vinegar, use wine vinegar instead.

6 oz flageolet verts, 6 oz Kura Mame (black soya beans), 1 onion finely diced. For the dressing: 2 cloves garlic finely minced, 3 tablespoons Chinese black vinegar,

these beans were photographed at Cranks Whole Grain Shop, 37, Marsh Street, London, W1, where there is a large selection of many different varieties of bean. The shop is open from 10 am to 6 pm, Monday to Saturday and mail order enquiries may be made either by writing or phoning on 01-439 1809.

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## BOOKS

## Little ones

BY SARAH PRESTON

Barnardo by Gillian Wagner. Weidenfeld and Nicolson. £8.95, 344 pages

Pioneer of child welfare or bigoted autocrat? Philanthropist of vision who took as his slogan "No destitute child ever refused admission," or fraudulent humbug who used the title of doctor when he had no professional qualifications? In advance of his time, offering care to all children irrespective of creed, nationality and physical infirmity, or spend-thrift megalomaniac who thought he had a direct line to God? Evangelist or, because of his nocturnal wanderings, suspect for Jack the Ripper?

Most of us remember Thomas Barnardo for his charitable works but Gillian Wagner in this measured, confident biography, shows other aspects of his reputation. The story of how as a young evangelist preacher from Dublin he met the destitute boy Jim Jarvis and began his nightly rambles through the East End, looking for the children who slept rough in the alleyways and on the rooftops, is the stuff from which legends are made.

Barnardo made sure a legend was made from it. He used every means possible, from the articles and books he wrote to photographs of children taken before and after their rescue, to squeeze the consciences of his fellow Victorians so that they gave money, for his institutions, his village homes, his fostering schemes and his emigration schemes through which he sent boys and girls, not always with their parents' permission, to Canada.

It needed clear-sightedness, energy, toughness and single-mindedness for a young man

still in his twenties, with few connections, no money and no qualifications, to challenge the philosophy of the Poor Law. The reverse of these same qualities, the conceit, self-righteousness, and bloody-mindedness of a loner, led to an arbitration case which split the evangelical movement and made his name hated by many of his contemporaries.

The final verdict on Barnardo can perhaps in outline follow that of the judges in the arbitration case before the Charity Organisation Society in which his reputation was at stake. Because of his shameful refusal to answer certain questions they were not able in 1877 to be exhaustive in their assessment. Similarly it is not possible for posterity to be sure about all aspects of his life in spite of this author's researches. He was good at covering his tracks and making known his version of events. At any rate we learn little from this book about his private life and are given only glimpses of his wife, Syrie, and the rest of his family. His children included Queenie, later also known as Syrie, who made unhappy marriages, in her father's lifetime to the rich Henry Wellcome and then to Somerset Maugham.

The arbitrators were critical of Barnardo's public quarrels with his rivals. They took a fairly relaxed view of his use of the title doctor. He had given up his medical studies at the London Hospital after deciding his mission was with the children of London rather than the unwashed of China. They were turned him about the way he employed "artistic fiction" in photographs but acquitted him absolutely on charges about the



Dr. Barnardo with his daughter Syrie

management of the homes and treatment of his charges.

There is no doubt that the controversy Barnardo stirred and the publicity about his ventures contributed to the legislation which eventually made the State responsible for destitute children. He was not a very nice person but he got things done and some of the problems he tackled head-on, like the conflict between the rights of parents and what was

best for the children, are still not resolved today. He may have taken other people's ideas but he put them into operation with vigour, and the organisation he began, or which Gillian Wagner is now chairman, is still pioneering worthwhile ways to serve the needs of the young, finding new families for children with handicaps or emotional difficulties who only a few years ago would all have languished in institutions.

## Gentle Frenchmen

BY C. P. SNOW

The Time of Love by Marcel Pagnol, translated by Ellen Bogen. Hamish Hamilton. £6.95, 208 pages

This book has a singular history. Marcel Pagnol, one of the greatest commercial successes in the whole of French literature, planned a four volume set of autobiographical memoirs under the title of *Souvenirs d'enfance*. Three volumes were published. The fourth, although effectively complete years before his death, was kept private during his own lifetime.

Why was this? Now we can read it in an English translation as *The Time of Love*. (The French title is *Le Temps des Amours*.) It contains no revelations, shapful or otherwise. Both in tone and context, it is indistinguishable from the earlier instalments. Why not publish it? It is possible that Pagnol was dissatisfied because

he couldn't bring memoirs of boyhood to an artistic climax. Though French intellectuals tended to write him off—his earnings were altogether too large for others to contemplate—Pagnol was a serious and conscientious artist. He was also, incidentally, a very clever man, with a variety of arduous intellectual hobbies. He must be the only famous writer who in his spare time did research in the theory of numbers. It is a fashionable cliché that hugely popular writers must be inordinately stupid by contrast with hugely unpopular colleagues. More often than not, the opposite is true. I have known a good many commercial successes, from Maugham onwards. I can't think of one who wasn't, in old fashioned school-masterly terms, both bright and able.

Like almost all of Pagnol's work, *The Time of Love* is gentle, humorous, affectionate.

He was writing about people he was fond of. He had an unusually happy childhood. He never outgrew his tenderness for the Provence in which he grew up. I think Proust would have called this book *dois*, not meaning the word as a term of abuse. Proust, one of the most unsparing of all great writers, would have had no patience with writers who tried to show their progressive feelings, by initiating on paper the manners and customs of the least cultivated section of a football crowd.

Pagnol could be very funny in a teasing unpretentious way, as film audiences realised when they saw his places, "acted by the superb Rainau, who was a fellow Provencal and a close friend. The last chapter in this volume, called *L'aspect de la vie*, shows this aspect of Pagnol's talent at its most delicate. Lagneau is going on for seven years. He has been writing in

flamed love letters to a girl whom he has seen at her window but has never met. She has written back as "deceitfully." The exchanges of Romeo and Juliet would seem understated by comparison. At last, Lagneau and the girl meet, all clandestine and stage-managed. Mediterranean fancies will be charged to discover that they are as "natural" and "tongued" as a time English couple.

It is hard, though, to think of an English writer who bears much resemblance to Pagnol. Some of L. P. Hartley's studies of childhood come to mind, but Pagnol is much heartier and more in touch with common-place enjoyment. He is also, in a spot sense, more professional. He seems as distant from the recent regimes in French writing as though he came from another planet. That appears not to have distressed him overmuch. Perhaps he had a gift, very rare in writers, for counting his blessings.

## Fiction

## Emotions explored

BY MARTIN SEYMOUR-SMITH

Only Children by Alison Lurie. Heinemann, £4.95, 219 pages

Pretty Doll Houses by Gabriel Fielding. Hutchinson, £5.95, 263 pages

Raspberry Reich by Wolf Mankowitz. Macmillan, £4.95, 206 pages

The Thirsty People by Sue Kriman. Heinemann, £4.50, 170 pages

The Gull and the Glory by David Hanly. Hutchinson, £5.50, 299 pages

Alison Lurie has been (respectfully) criticised for being too perfect an artist, for laying open real people as though they were corpses for dissection. This was perhaps true of her earlier novels; but her later ones make it clear that her initial procedures were based in the belief that the well-made novel still has the capacity to reveal important emotional truths. Clearly she is at pains to avoid, to explore herself.

*Only Children* is simpler than the previous books, and abandons the familiar campus and "artistic" milieu for the at least ostensibly "nicer" one of a progressive school for small children. Alison Lurie's characters have never really been "victims," even if they have seemed to be; and the children and grown-ups here are not victims either. It is simply that the author early learned from Jane Austen that the practice of restraint could be useful. It was particularly useful in the earlier novels in which people's behaviour was unrestrained; and in a different way it is useful here.

Two decent married couples go to the progressive school of their unmarried friend for a summer weekend; they take their children. The essence of the novel is that while the grown-ups start to revert to childhood (although the teacher already prefers that world) the children start to grow up. It is an ingenious notion; but everything depends on the way it is handled. It is handled beautifully: the joke is finally seen as sad, ineluctable, even tragic—but real. The ingenious notion takes on life and meaning because the detail and the author's description of it are convincing. The artistry is properly unobtrusive, as it was, not always, perhaps, in certain of the earlier novels. This is a very distinct advance in the work of an important novelist, and one taken at some risk: the simple prose in which it is written is hard to achieve.



Alison Lurie

But it has succeeded, and the book demands to be read.

Gabriel Fielding, who was a general practitioner for 20 years, has taken his pseudonym from Henry Fielding, from whom he claims descent through his mother. There must be an irony in this, since of modern novelists he must be the least like Fielding. He achieved a considerable reputation in the earlier *Strides* for his trilogy *Brotherly Love*, *In the Time of Greenbloom*, and *Through Streets Broad and Narrow*. This very English, Roman Catholic trilogy dealt with the Blaydon family, had obvious autobiographical connotations, and was praised for exploring "the theme of individual responsibility" which had obsessed European writers such as Camus but had been (allegedly) neglected by British novelists.

After his last novel, *Gentlemen in their Seasons* (1966), Fielding went to America; and because he has published only one volume of stories, has been largely forgotten. Now he returns with another novel about the Blaydon family: this time he takes us right back into the early life of John Blaydon, Anglican clergyman's son, and he acknowledges that he is being almost straightforwardly autobiographical—which he has not been before. In fact, though the narration is John Blaydon's, the novel is as much concerned with his mother (Fielding has quoted from his own mother's journals, and acknowledges

this). This is a puzzling work, hard to get to grips with—especially because we are aware of what happened to Blaydon (later) from the earlier novels. There has been a marked change in Fielding's style and approach, and it seems as though here he is at last working out his "long cohesion" with his mother, which he has several times openly stated. I remain fascinated, and am relieved that Fielding seems to have dropped the deliberate eccentricity of the earlier novels, which, though interesting, were vitiated by a black depressiveness, which seemed irrelevant to their themes. This has the air of a first novel by one who has been preoccupied in private all his life. As such it is a lucid and sensitive study of a peculiar childhood and a complex, warm, discomfiting mother. I shall certainly go back to it, and I suspect others will as well.

Wolf Mankowitz is an intelligent, entertaining, but not at all in the class of the two writers previously discussed. *Raspberry Reich* is a bizarre extravaganza about dirty money, ex-Nazis, jet-set life, and contemporary terrorism. It begins in a Swiss finishing school, which gives the author plenty of opportunity for satire, not all of which is amusing. This nothing like recaptures the energy and zest of *Make Me An Offer* or *A Kid For Two Farthings*, and its sick, black humour is of an exhausted, and now overworked

kind. It might fill an idle hour in a television form, but it cannot be recommended as a fair read.

*The Thirsty People* is an unpretentious first novel on an appealing theme. A married couple get tired of the anxieties and pseudo-efficiencies of urban life, and go to Cornwall to try to run a village bakery. The novel is narrated by the husband—I think it might have been better if it had been narrated by the wife. The story is told in a slangy way that is not always convincing; yet the author demonstrates enough understanding of the psychological situations which arise to make it quite clear that she is aware how people really think—which isn't often very like the husband's narrative. Nonetheless, a promising and entertaining debut, with some acute and amusing passages.

David Hanly's first novel *The Gull and the Glory* is about an American TV crew who are shooting a film about "Ireland As It Really Is." The author's thesis is that the image of Ireland presented in the many novels that have emerged from it since its independence is a wrong one. Unfortunately this is just what most of those novels are about, too—though they don't announce it in their blurbs. But the book is impressive, and the author's own vision of his country is as interesting as that of many others.

## Timely Euro-insight

BY IAN DAVIDSON

Parliament for Europe by David Marquand. Jonathan Cape. £4.95, 147 pages

Over the years I have read rather a large number of books about the Common Market, and while some are good and some are bad, some pro and some anti, they all tend to share three rather depressing characteristics: their authors have an evangelical fervour which is never communicated (except to the converted); they struggle relentlessly through the familiar obstacle course of rebarbative facts and arcane jargon, grimly purveying (in the case of the pros, at least) optimism in the face of continued stagnation and failure; and while they may sometimes get respectful reviews from fellow addicts, they encounter indifference from the general public. I know, because I wrote such a book.

David Marquand's reason for indicting yet another Euro-book on the defenceless reviewer is that the first direct elections to the European Parliament take place this June, and surely the great British public will at last get interested in Europe? After all, a directly elected Parliament is bound to acquire more influence, and in time more power, than its predecessor; so the British elector will have more leverage on the faceless bureaucrats in Brussels.

So far, so familiar—and I must also add that Professor Marquand is, like so many of his fellow Eurologists, a Euro-fanatic. What distinguishes him from some of the breed is that he has produced one new, and very penetrating insight. It is simple, elegant and obvious—and it is absolutely madening that it had not occurred to me before.

The thesis which he propounds is that the election cam-



David Marquand

paigns for the European Parliament will be deeply misleading for the ordinary elector, for at least two reasons. The first is that participation in a European institution will have an insidiously seductive effect on the new members, regardless of their previous prejudices. Mr. Anthony Wedgwood Benn and his friends have done their best to ensure that all the Labour Party candidates for election will be on the anti-Market side of the fence; but experience shows that virtually every Labour anti-Marketeer who joined the European Parliament in 1975 became converted to the system within a year or two, even if they refrained from admitting as much to their friends in Westminster. The new members will have an even stronger reason for wanting to strengthen their institution.

The second part of the Marquand thesis—and here's the original part—is that, while

electioneering for the new Parliament will take place on traditional Socialist-Conservative lines, the real issues in the European Community have little or nothing to do with the conventional Left-Right split.

Even in national politics, Marquand argues, the rhetoric of Left-Right confrontation is starting to outlive its relevance to reality, since technical considerations of great complexity acquire an increasing importance in government compared with gut "political" issues. In the European Community, the technical dimension is even more salient, to the point where "socialism" or "conservatism" can offer little or no guide to so-called political choices.

"What is the proper Socialist attitude towards fishing quotas?" asks Marquand. "What should Christian Democrats think about nuclear power? Can there be a distinctively Liberal aerospace policy? The answers to these questions is 'none'—nothing and 'no'."

National party delegations will struggle to pretend that they represent socialist, conservative or communist points of view; but in reality there is only one genuinely political issue which will confront the members in every single debate, and it is an issue which cuts right across traditional party lines: the permanent choice between national and supranationalism. In the long run, therefore, voting allegiances in the European Parliament will be bound to reflect fundamental sympathies on this issue, rather than the old-fashioned left-right dichotomy.

So far, so brilliant. Marquand is himself an unashamed supranationalist, at least for those policy issues which are better solved at the European than at the national level. There are parts of his supranationalist

argument which are highly questionable. He seems to think, for example, that you can have monetary union in the Community, while still leaving taxation and public expenditure to national governments. It seems to me that monetary union must impose restraints on the fiscal autonomy of national governments.

Similarly, I am surprised that Marquand continues to adhere to the notion that the Commission is still the motor of integration in Europe. This is, of course, a touching article of faith among early Europeans, but it is not a premise which has proved reliable in practice. Indeed, the major question facing the Community is who (if anyone) is going to be the motor of integration? The Commission; the Parliament; both together; or neither?

I think Marquand needs to take his party-political analysis just one stage further. The reason why left-right arguments are irrelevant in the Community today is that the national governments have retained control over all policy issues which are sensitive on traditional party lines: nationalisation, public spending, taxation, welfare, housing, trades unions, immigration, law and order. But if the Community does become more supranational, decisions on some of these issues will have to be at least partially shared between national and Community institutions.

At that moment—that is, after the national-supranational debate has ceased to be the principal stumbling block to integration—the old left-right dichotomy will once more become relevant to some issues facing the Community. To take an analogy: if Scotland were to become independent, the Scottish National Party would lose its *raison d'être*.

## Rothko and Steinberg

BY WILLIAM PACKER

Mark Rothko by Diane Waldman. Thames and Hudson. £18.00, 296 pages

Saul Steinberg text by Harold Rosenberg. Andre Deutsch. £12.50, 256 pages

The exhibition catalogue is an indispensable aid to the practice of criticism, or the critic is happy to think it is, not at all for the immediate help it gives in penetrating the mysteries of the work on view, but rather in the later recollection and judgment upon the experience. And, especially so with more recent work, it is to the last catalogue that we turn for the details of biography, the summary of a career, the technicalities of the work, all grist to the mill of opinion, for such information is to be had nowhere else. Far from waiting upon the definitive monograph, the catalogue is that monograph. But, no matter how deep and scholarly it might be, the catalogue is tied to a temporary event, and must date rapidly as the work it endorses too fall unforgiving points too far off to a glacial trickle. The important catalogue, out of print, too soon becomes a col-

lector's item and all but unobtainable. Publish the thing as a book, however, and the situation is hardly improved: the show will catch the review, if it is lucky, seldom the book. Leave a decent interval, and where is the editor who cares to publish what must be essentially the same notice twice?

Diane Waldman's *Mark Rothko* is by any standard an important publication, but the show she organised at the Guggenheim in New York, where she is Curator of Exhibitions, was the event that caught what attention could be distracted from the exposé of the Rothko scandal that appeared at the same time.

In the long run this should not matter over-much for her book is necessary and its virtues obvious. Her account of the artist's life and the development of his work, and its relation to European and American art in general, is full of useful and original reference, very well and straightforwardly written, and admirably succinct.

Its value in particular, as with the show it served, lies in the unprecedently clear view it gives us of Rothko's work in his early and middle years, which, at the expense of that of his later maturity, the paintings of the 1950s by which his name burst

upon us, increasingly appear to be the most interesting and the most important.

There is, of course, no denying the sheer physical beauty of that later work, to which the many colour plates in this book are admirably faithful, but as is becoming apparent even to American critics, the stylistic consistency thus achieved—and Rothko was by no means alone in this—turned in the end into an impossible creative block.

Some months before Rothko filled the Guggenheim, Saul Steinberg was at the Whitney, and the handsome volume that marked that apotheosis has now appeared here too, coincidental with the smaller show lately at the Serpentine. It is useful, and indeed enjoyable, less for Harold Rosenberg's hyperbolic rambling, and mercifully short critical appraisal: "Embracing the dramatic polarities—the motives of creation today."

Steinberg's art—with its copy-ing, parodying, counterfeiting and mimicking—is also a central exhibit in the debate concerning the interchange between the art object and non-art fact (nature)—than for the comprehensive view it affords across Steinberg's career as an extremely effective and accomplished satirical illustrator and moralist.

## Crimes

BY ELIZABETH FORBES

Spence at the Blue Bazaar by Michael Allen. Constable. £4.95, 191 pages

The cabaret at the Blue Bazaar, a night-club on the fringe of the London commuter village of Tintley, always includes a stripper. When glamorous Thana, the current attraction, is horribly murdered, it appears that her death is linked with the unsolved double murder 17 years before of a local schoolteacher and his ten-year-old son. Chief Superintendent Spence, helped by the predecessor Charles Booth, investigates the half-dozen Tintley inhabitants who could have committed both crimes. Michael Allen is as clever an illusionist as the great Deceit, second cabaret act at the Blue Bazaar, who causes his assistant, the lovely Sue, to disappear before an audience that contains the two detectives.

Death in the Greenhouse by J. R. L. Anderson. Gollancz. £4.25, 192 pages

Eustace Quenenden, expert on Oriental languages and the flora of Equatorial Africa, ex-District Commissioner in the Central African Colony granted independence as Mpuga, is found murdered in the green-

house of his home near Newbury. When Meredith Boscombe, one-time coffee-planter in Mpuga, now Minister of State at the Foreign Office, receives a blackmailing demand for a million pounds, Colonel Peter Blair is called in to investigate. The motives for both murder and blackmail lie buried in Mpuga, and Blair flies out to Central Africa in search of the plant *adamantifera* discovered by Quenenden many years earlier. As always, J. R. L. Anderson's grasp of technicalities, in this case botanical and mineralogical, is faultless.

An Inside Job by Stella Allan. Collins, £4.25, 224 pages

Sheila Pettit, successful business executive with outside feminist chip on shoulder, and Charles Temple, male chauvinist pig husband of Sheila's old school friend Margaret, are partners in an ingenious plan to defraud Blackbird International Oil Company and its Italian customers Pollowner and Arachnid of a million dollars. The only death in the book is accidental, but the web of complex motives behind the fraud are sufficient to rivet one's attention, while the horrifying denouement administered near if somewhat rough justice on the culprits.

## BY K. NATWAR-SINGH

Hinduism by Nirad C. Chaudhuri. Chatto and Windus. £7.50, 340 pages.

Mr. Nirad Chaudhuri is incapable of writing anything which does not stimulate thought or stir the imagination. He is the great Indian iconoclast who enthusiastically takes on the most sacred cows of the Hindus. His book on Hinduism has been awaited with high expectation. Laymen like me will find it invaluable. The scholar might have some reservations. A vast and complex subject has been handled with care and élan.

At 62 Mr. Chaudhuri has not lost any of his intellectual vigour or scholarly flair. In his preface he says that, "no one can deal with India, or understand the social and cultural life of the people of the country, without a knowledge of Hinduism." No quarrel with that or with this brilliant observation. "Thus it happens that, in order to become a coherent and logical system, Hinduism has not shed any of its features in the course of its evolution. For this reason current Hinduism may also be seen as a museum of its entire history." He can be exquisitely subtle in his perception.

Mr. Chaudhuri comes down hard on "Hinduizing Occidentals," who look for things which are not there in Hinduism. No

Hindu heretics exist because Hinduism has no fixed doctrine or established church and clergy. They are surprised that anything so spongy could survive so long, "without support from any kind of organisation, secular or spiritual." The spiritual stamina of the 500m Hindus is quite remarkable.

Yet something is missing from his book. The rigorous intellectual coherence is there. So is the scholarly resourcefulness but still it remains a work of great competence rather than of inspiration. Additionally, no study of Hinduism is complete without reference to Buddhism. Mr. Chaudhuri neglects the Buddha as he does the Mohenjodaro. Dayanand Saraswati, the founder of the Arya Samaj and Sri Aurobindo are not considered worthy of mention. Nor is Radhakrishnan's *Hindu View of Life*. Mr. Chaudhuri approvingly quotes Abbe J. A. Dubois at some length. The Abbe was a shrewd observer, a gifted and painstaking chronicler, and his book, *Hindu Myths, Customs and Ceremonies* is both entertaining and useful, but he is not in the same class as Max Müller, Radhakrishnan or R. C. Zener.

Mr. Chaudhuri is good on the sects and cults of the Hindus; amazingly candid and engagingly lively on Tantric erotics. He is less satisfying on Hindu spirituality and mysticism. The

promptings that mystics experience are not to be lightly set aside. Charlatans there always will be but the genuine mystic is quite a figure. The Greek influence on Hinduism played and Mr. Chaudhuri is on unsure ground when he asserts that the ancient Persians were "protected against the temple cult by their exclusive monotheism."

One has only to look up the *Encyclopaedia Britannica* to discover that the Persians were not "exclusive monotheists." The claim that worship of light and fire "the two most basic features of the Hindu religious consciousness could not have originated in India, but must have come from some cold region" is open to reasonable doubt.

Mr. Chaudhuri goes further and declares that in India, "light becomes glare by eight o'clock in the morning." It does not, not in the winter months in North India. However, these are minor flaws in a remarkable and valuable work.

What impact will this beautifully written, serious book on so important a subject make in India? Not much, I fear, because in India, that is Bharat, it will fall into that great void where the only echo is "oum-boum." The effort was no doubt worth it. As the Gita has it, "Thou art entitled to the work, but never to its fruits."

هكنا من النضال



## COLLECTING

## Well worn chic

BY JUNE FIELD

OLD CLOTHES have definitely moved up market. There was a time when the average Englishwoman was convinced that any piece of second-hand clothing whose precise provenance was not identified was a health hazard and best burned instantly. Today even the smartest and most sanitary people may wear vintage and vintage garments bought from little boutiques down King's Road that are far cry from the Old Clo' men we used to know.

Christies has created a corner in the upper end of the market—the really antique or collectors' pieces—in the decade since they held their first costume sales in King Street. These sales now take place at Christies South Kensington and owe much of their quality to the enthusiasm and knowledge of the department expert Susan Mayor.

What is most surprising, given the special vulnerability of clothing to the perils of moth, rot and time in general, is that enough survives to supply weekly costume sales. Christies' May 15 sale is a particularly good one, with well over 100 lots of costume proper, ranging from a superb embroidered petticoat, somewhat darned, from the early 18th century and several gentlemen's coats of the time of George III to a Chanel suit and other examples of the work of 20th century couturiers.

They arrive, says Miss Mayor, from all kinds of sources. Sometimes an odd costume—a uniform, perhaps—has been kept as an heirloom; though the best caches tend to be trunks that have been stored, forgotten, in the attics of country houses. Recently someone thought that a dress that was being used for theatricals by Winchester schoolboys looked something out of the ordinary. It turned out to be a creation by the very first Spanish-born designer of the early part of the century, Fortuny, and sold for £180 at Christies.

This is not perhaps a great price when compared with the £2,400 paid for a suit from Chanel's personal wardrobe, or the even higher prices paid for a fine early 18th century man's suit from the collection of the Earl of Stair and, more recently, a finely embroidered skirt of c. 1800.

Rarity and quality are the main factors which decide the price. Complete men's suits of the 18th century tend to make comparatively higher prices

than women's dress on account of their greater rarity. Association can also help: clearly the special attraction of the £2,400 Chanel suit was that it was known to be her favourite. The identity of the wearer does not necessarily affect the price so dramatically. Christies' forth coming sale includes a dress worn by Queen Victoria in the late nineties—black, of course, but, says Miss Mayor, in no way dowdy—in fact positively smart, allowing that it was made for a rather chunky little lady. Mainly because Victoria possessed an awful lot of clothing, of which a great deal was reverentially preserved by retainers and servants, the dress is not a rarity, or likely to realise much more than a hundred pounds or so.

In the case of modern costume, the identity of the designer substantially enhances the price. A label clinches the identification of course, but the best couturiers have a signature distinctive enough to be a signature. Twentieth dresses in particular, perhaps because they tended to be too insubstantial to leave a place for them, tend to be without labels. The only creation of Paul Poiret, the influential designer of the early years of the century, was unlabelled but sufficiently unmistakable to realise £700 at a time when prices were considerably lower than today.

Other sought-after couturiers, apart from Chanel and Fortuny, include Callot Soeurs and Jeanne Lanvin. The May 15th sale includes a dress by Madeleine Vionnet, who introduced the method of cutting on the bias which gave a characteristic clinging and fall to women's dress in the 1930s.

In terms of costume history clothes that have survived to achieve the limelight of the saleroom are a trifle misleading. The costumes that people wrapped up, packed away and treasured tended to be intended for special occasions—dinner, evening wear, court dresses, wedding clothes. Everyday garments, the working suits of the professional man and the garments of the poor (which had to be worn to their last threads, anyway), have rarely survived. Men's sports jackets of the 'thirties are no doubt a great deal rarer than Victorian court dresses. To judge the clothes of our ancestors from examples in the museums and the salerooms is as deceiving as it would be to judge the look



A late 18th century coat for sale at Christies next month. The original owner appears to have been about 7 foot tall.

of today from the models in Vogue.

The most important clothes that appear in the saleroom tend to go to museums. There are a number of important collections in this country—as well as the Victoria and Albert Museum, for instance, the Doris Langley Moore collection in Bath, the Castle Howard Collection, the collection of shoes assembled, appropriately by Northampton Museum. Many local museums too are building up representative collections of dress, which always prove a particular attraction for the public.

A good many of the thousand members of the Costume Society—about a third of them overseas—no doubt limit themselves to collecting items like fashion

plates and magazines more conveniently handled and stored, but there are still a fair number of private collectors of actual costumes. Not all do their shopping at Christies. The secretary of the Costume Society, Ann Thomas, says that many of her members have had their best finds at jumble sales and by scouring the attics of friends and relations.

The objects of the Costume Society are the conservation, preservation and general study of costume. It organises lectures, weekend schools and exhibitions (in November a major one at the V and A on Fashion Plates from 1500-1812) and issues regular publications. The annual subscription is £5, and the Secretary's address is 231 Pope's Lane, London W5.

## BRIDGE

E. P. C. COTTER

IN TODAY'S two hands from rubber bridge both contracts were lost. Let us study the declarer's play in this hand and see whether he could have done better:

N. ♠ K Q 6  
♥ 10 6 2  
♦ K 9 6 4  
♣ Q 10 2

E. ♠ A 4  
♥ K J 9 5 4  
♦ 8 2  
♣ J 4 3

W. ♠ 10 8 7 5 2  
♥ A 3  
♦ J 10 7 3  
♣ 8 5

S. ♠ J 9 3  
♥ Q 8 7  
♦ A Q 5  
♣ A K 9 7

With North-South game. South dealt and opened the bidding with one no trump. The major suit holdings are shaky, but if South bids one club, the subse-

quent bidding is more difficult. As it was, North had no hesitation in raising to three no trumps.

West led the spade five, dummy played the six and East won with the ace. East now switched to the Knave of hearts, the Queen covered, and West won, returning the three for his partner to make four heart tricks and put the contract two down.

Not a great performance by the declarer. To play dummy's six of spades at trick one was not good—it showed clearly that there was no future in the spade suit. If dummy's King is played, East might be tempted to return his partner's suit.

Then at the second trick to cover the heart Knave with the Queen was a serious blunder. With the heart ten on the table, it is evident that East's Knave is the standard defence from a suit headed by K J 9 (or A J 9). The only hope is to find West with just Ace and another, so that, if the Queen is withheld, the suit will be blocked.

Then, after losing two tricks in hearts, South wins the remaining

spade followed by Ace, Queen, King of diamonds. At this stage he knows that West has only two clubs, so he leads the ten—an essential unblock—to the Ace in hand, returns to the Queen on the table and finishes the nine in his own hand to score the game.

The second hand was more complicated—could the declarer have done better here too? Let us see:

N. ♠ Q J 6 2  
♥ 7  
♦ 10 9 7 4  
♣ K 6 3 2

E. ♠ 10 9 8 5 4  
♥ 8 5 4 3  
♦ A K Q 8 6 5 2  
♣ J

W. ♠ 7 3  
♥ A K  
♦ A K J 10 8 6 2  
♣ 8

S. ♠ J 7 5

With both sides vulnerable, West dealt and bid one diamond. East scrapped up a response of one spade, and South said four

hearts, which concluded the auction.

West led the diamond King, East dropping the Knave, and the next diamond was ruffed in hand with the heart two. After drawing four rounds of trumps and cashing Ace and King of spades, the declarer led a club, put up dummy's King, and lost the contract.

"I thought West must have had the heart Ace," he said, "since he opened the bidding." Faulty reasoning. West did not need the club Ace for his opening bid, but East did need it for his one spade response.

If South studies the position more deeply, he can make certain of the contract. He ruffs the second diamond with the six of hearts, draws three rounds of trumps, cashes his two top spades, and then puts up East with his carefully preserved two of trumps. The forced black suit return ensures the contract, no matter which defender has the Ace of clubs.

Many expert declarers would see the trump endplay on East, but how many would retain the trump two to foil any attempted unblock by an equally expert East?

## CHESS

LEONARD BARDEN

THE CONTINUING increase in transport costs has induced chess organisers to look again at alternative arrangements for long distance matches. Games by telephone are one obvious possibility, and the thriving clubs on Britain's offshore islands are currently competing for this means for the Lloyds Bank Islands Trophy. Teams of seven, from Guernsey, Jersey, the Shetlands, and the Isles of Man, Anglesey, and Wight, are taking part, with two groups of three and a final scheduled for this summer.

The problem with telephone or telex matches is the time lost in transmission of moves—not so much from centre to centre, but from message receiver to the player's chessboard. The playing room is normally separate from the telephone to avoid distraction from "signalling." It is not uncommon for a telephone match to last six to eight hours when the playing times recorded on the clocks add up to only two-thirds of this period.

A possible way to get round the frustrations of telephone and telex play and to provide conditions more like a face to face game was shown last month when the Scottish Telecommunications Board sponsored a Home Countries Confraternity tourna-

ment over their closed circuit television links. These facilities have many uses, but normally operate for business conferences between different centres.

The line-up of nominated representatives was Tony Miles (England, in the Birmingham Post Office studio), Craig Pritchett (Scotland, in Glasgow), George Botterill (Wales, in Bristol), and Paul Henry (Ireland, in Manchester). Thus the event produced the rare situation of perhaps the four best players in each country in competition. The winner's prize was £250 and a large silver cup, while the bottom marker received £50.

Grandmaster Tony Miles, the favourite, justified his seeding with the decisive game below. Botterill, twice British champion, failed to realise that he would lose a piece in the tactical melee of the opening.

Final scores were Miles 2½ out of 3, Pritchett 1½, Botterill and Henry 1.

Confraternity officials pointed out that the links with The Hague and Amsterdam would allow the annual Anglo-Dutch match to be played without the players having to cross the North Sea, but it is unsure how realistic is such a prospect. Confraternity for a weekend event at international time limits are different from a rapid tournament (players had 15 minutes for all their moves) completed in a single evening.

For promotional events, closed circuit facilities have a definite future. The audience in the four centres enjoyed

simultaneous commentary during play and a replay by Miles of this key victory.

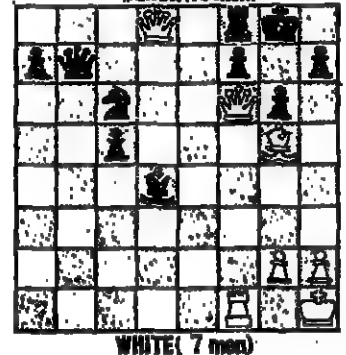
White: G. S. Botterill (Wales). Black: A. J. Miles (England). Opening: Queen's Gambit Accepted.

1 P-Q4, P-Q4; 2 P-QB4, P-K3; 3 N-KB3, N-KB3; 4 Q-R4 ch (the Mannheim variation, probably inferior to the normal 4 P-K3). N-B3; 5 N-QB3 (5 Q-BP, B-K3 and B-Q4 with good piece play for Black), N-Q4; 6 Q-BP? (White has to play the gambit 6 P-K4, N-N3; 7 Q-Q1, B-N5; 8 P-Q5 as in a Botvinnik-Petrosian world title game), KN-N5; 9 Q-N3, P-K4; 10 P-OR3? (8 N-P? B-K3 could lead to 11 K-O2, B-N4; 12 R-QN1, RXP mate, but White

should try 8 P-KP), B-K3; 9 Q-Q1, P-P; 10 N-QN5 (10 P-N4, B-P and ... P-N1, P-QB3; 11 Q-N5Q and ... P-N1, P-QB3; 12 R-R3, Q-R3; 13 NXP fails to BXP ch; 14 B-Q2, BXP ch; 15 Q-R3, Q-R3 ch; N-N3; 12 N-N3 (only now did White realise that 12 P-N4 still fails to BXP ch; 13 B-Q2, B-N6), Q-N1 (winning a piece, for 14 P-N4, BXP ch; 14 B-Q2, 0-0-0; 15 P-N4, N-B7 ch; 14 K-Q1, N-N3 (White is a knight down without compensation. The rest is for the enjoyment of the spectators); 15 P-QN4, 0-0-0 ch; 16 B-Q2, N-N6; 17 R-R2, B-K2; 18 P-K3, B-K3; 19 R-K2, N-Q5 ch; 20 P-N4, B-R3; 21 B-K3, B-QP? B-K3; 22 B-B5 ch; 23 K-Q2, K-BP ch; 24 K-B3, R-R1 ch; 25 Resigns.

POSITION No. 284

BLACK (10 men)

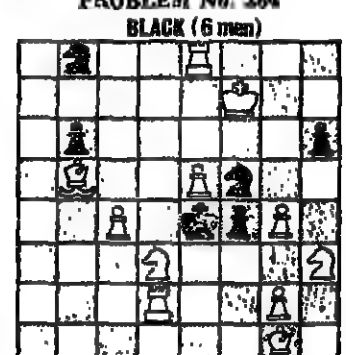


WHITE (7 men)

M. Keller v. H. J. Jansen, postal game 1978. An unusual position: White (to move) is queen for Knight and three pawns up, but both his queens are attacked.

What should he play next, and how should the game end?

PROBLEM No. 284



WHITE (11 men)

White mates in two moves, against any defence (by C. A. H. Russ, Herne Bay). Solutions Page 23

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NOTICE OF ANNUAL GENERAL

MEETING

NOTICE IS HEREBY GIVEN that the

Annual General Meeting of the

Company will be held on Monday, 23rd

April 1979 at 11 a.m. at the Regis-

ter Hotel, 100, rue de la Woluwe, 1050

Brussels, Belgium. The agenda of the

meeting is as follows:

1. To receive the Report of the

Directors and the Auditors and to

approve the same.

2. To receive the Balance Sheet, Profit

and Loss Account and the appor-

tion of the same.

3. To elect Directors for the year

ending 31st December 1979.

4. To elect Auditors and "Com-

missaires."

5. To receive the Report of the

Directors and to approve the same.

6. To receive the Report of the

Auditors and to approve the same.

7. To receive the Report of the

Directors and to approve the same.

8. To receive the Report of the

Auditors and to approve the same.

9. To receive the Report of the

Directors and to approve the same.

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Directors and to approve the same.

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PUBLIC NOTICES

WARRICKSHIRE COUNTY COUNCIL

PLACED 18 APRIL 1979. £2m bills due

16 July at 11.15. Total outstanding £2m.

## Experience &amp; Expertise

No. 376

Model to be sold on Monday, April 30th at Brighton.

At the Brighton and Hove Engineering, a living museum

devoted to the history of engineering, Christie's hold sales

of models and mechanical antiquities such as the exquisite

8 in. gauge finely detailed model of the London and South

Western Railway Adams 4-4-0 locomotive and tender No. 573,

built by D. W. Horsfall of Halifax between 1866 and 1874,

pictured above. Like so many of the models which have

their origins in the prototype experimental models of the

late 18th and early 19th Century Industrial Revolution, this

model would stand as a permanent record of its historic

prototype, not only as an example of the art that works but

the skills inherent in its original concept and construction.

The sale to be held on Monday, April 30th at the

Engineering includes both 19th and 20th Century models

illustrating everything from steam and industrial history

to ships, aeroplanes and even rare cars. Each piece is

individual, requiring of its author detailed research and the

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apart from enjoying the subject they represent an

extremely good investment, given the thousands of hours

that have gone into the painstaking process involved in

their creation and it is extremely encouraging that many

of the people who build them these days are young and

belong not only to the clubs and societies specialising in

this enthusiasm but importantly to modern industry, which

in fact still contains outlets for skill on this scale. Their

work and that of earlier generations grows currently about

a quarter of a million per year.

For further information on the sale of Fine Steam Engines,

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## FINANCIAL TIMES

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Saturday April 21 1979

# Don't bother with facts

THIS WEEK has seen the publication of the last important economic indicators which we will get before polling day. What they have demonstrated is what we have known all along. The economy is in some sort of precarious equilibrium but not in a way which can give anyone great satisfaction. And the indicators have not afforded either much comfort to the Government or much scope for specific criticism to Mrs. Thatcher.

## Inevitable result

It is true that Mr. Callaghan tried to make something of the unemployment figures, but it was an attempt which lacked conviction. After the sharp rise in January and February when unemployment was boosted both by the impact of the lorry drivers' dispute and by the exceptionally bad weather—seasonal corrections never compensate adequately—for abnormal seasonings the figure came down with a bump last month. Taking the past four months together the rate of fall in unemployment has slowed as has the increase in notified vacancies.

While strikes and the hard winter distorted the unemployment statistics, pay policy has done the same for the earnings figures. Both last year and again in this wage round the normal pattern of settlements has been disrupted. Bargaining groups have tended to hang back to see what others were getting and how firmly the Government would stand by its policy.

The inevitable result is that comparisons are impossible. The general impression still remains that the outcome this time round when pay policy has broken down will not be much different from last time when the Government acclaimed Stage Three to have been a great success. That, of course, does not mean that the outcome—an earnings increase which is more than 10 percentage points higher than the rise in output—will make anyone feel particularly happy.

## Half a chance

The same is true on the monetary front. The underlying rate of growth of the money supply is probably towards the top end of the target range. But the massive funding operation which was necessary to achieve this result has been carried through at high cost and bank lending is continuing to increase at a very rapid rate. Sterling, meantime, after a rapid upsurge once it was "unleashed," now appears to have settled down.

There is thus at least a reasonable chance that we will this time round be spared the

deliberate misinterpretation of a particular indicator—Mr. Healey's 8 per cent inflation rate in the last election was probably the outstanding example—which politicians tend to resort to, given half a chance. Unburdened by hard fact, the campaign strategists can concentrate on exploiting the hopes and fears of the electorate.

Only in one area has there been a juggling act with figures. Both the Prime Minister and Mr. Healey—aware of the impact which the Tories have made by promising big reductions in direct taxation—have made much play with the £5bn in income-tax cuts in the last three years. Evidently both of them have forgotten all about fiscal drag. At a time of rapid inflation, thresholds have to be raised and tax bands widened year by year if the tax take is not to increase sharply.

The Prime Minister last night seemed to recognise that there was some sort of connection here. He pointed out that people had not felt more direct benefit because inflation had eaten away the value of the large tax cuts already made. The argument is presented in an odd way, but in an election campaign one must be grateful for small mercies.

## Voting intentions

Taxation is the talking point which has so far dominated the exchanges between the main political parties. Much less has been heard of the other side of the equation, Government spending. The Tories have indicated certain areas in which expenditure will rise—notably defence and law and order—have stated that they will not cut the social services, but have been somewhat vague on where the savings are to be made to finance the tax cuts.

Labour has promised to cut taxes without making clear where the money is to come from to fund additional spending on a variety of programmes which the Prime Minister has noted out at £2.5bn.

It is all predictable stuff, and judging by the polls it does not seem to be having much effect so far. More and more it seems that the key to voting intentions is whether people will want a change both in faces and in general approach.

Given that the fundamental differences between the two major parties are greater this time than in any recent election, that is all to the good. The question is not which particular set of policies will be better at implementing policies which differ only at the margin. If we are to believe what we have been told as the first full week of the campaign draws to a close, there is on this occasion a genuine choice.



Finishing touches—by Gillray, 1791; Elizabeth Arden, 1979. But change is more than skin deep: in the mid-18th century Lady Coventry died of lead poisoning from her cosmetics.

THE PROPHET Ezekiel listed the use of eye make-up as an "abomination"—along with adultery, profanity, infanticide, whoring and human sacrifice.

But the ladies have preferred to please themselves rather than God or governments (in 1650 Parliament tried to pass an Act Against the Vice of Paintings) and consumer spending on cosmetics and toiletries is expected to reach a record £538m this year in the UK alone.

It is estimated that the average single girl now spends about 10 per cent of her income on cosmetics. Such a figure doubtless would have caused the wrath of Ezekiel although he made no mention of the sums spent on paint by Aholah and Aholibah—the sun-loving sisters whose abominations he recorded so exhaustively.

Some of the ingredients they and their contemporaries put into their cosmetics are still in use today. They probably painted their eyes with both, a form of powdered charcoal mixed with oil that was first used in the cause of beauty 5,000 years ago and which is still on sale in 1979. It is likely they also used vegetable oils and animal fats to enhance the dewy softness of their complexions. Nowadays avocado oil and sheep's wool fat—better known as lanolin—are still important ingredients in cosmetic products.

But during the past few years cosmetics manufacturers in both Europe and the U.S. have been forced to spend considerable amounts of time and money reviewing the ingredients they put into their creams, face powders, eye shadows, mascaras, blushers, lipsticks and hair dyes. For legislative bodies on both sides of the Atlantic have turned their attention to the female face and decided on a tightening of the regulations.

In 1974 the U.S. Food and Drug Administration laid down that cosmetic companies must list the ingredients of all beauty products on their containers. Meanwhile, the European Economic Community has issued a directive on cosmetics ingredients which will come into force throughout the nine member States in July this year.

The EEC directive bans the use of certain ingredients in cosmetics and restricts the use of others. It also requires manufacturers to list on the container any ingredients that could cause allergies—a less stringent ruling than the U.S.

unquestionable fact that a wealth tax would have the effect of increasing the pressure to sell works of art in order to pay the tax, and so accelerating the continuous cultural losses of this country.

Meanwhile the Chancellor of the Exchequer has made a statement, which might have some bearing on the taxing of works of art themselves, to the effect that an annual wealth tax introduced by himself would exclude "household and personal possessions."

## Churches

From the Chairman, Norwich Historic Churches Trust

Sir—Gillian Darley's very interesting article "Reviving redundant churches" (April 9) refers to the task of this trust in finding suitable alternative uses for the 14 redundant churches in this city. May I underline the fact that the terms under which this trust operates are such that its activities may also embrace non-conformist buildings of merit and indeed one such, the Old Meeting House, built by the Independents in 1693, is currently in the care of the city council and in due course we expect to be charged with its surveillance.

Redundancy among Anglican churches is no new problem in Norwich. For years St. Simon and St. Jude has been used as a Scout headquarters while St. Peter Hungate serves as an ecclesiastical museum of repute—two other churches alas have been used for storage. Since the creation of this trust in 1972 new uses have been found or are currently under discussion for the important group of Mediaeval churches which

stand as witness to the past within the old city walls. One is in use for a night shelter for the homeless and another operating as a pastoral centre with a Methodist minister in charge and whose normal occupation is that of a bus driver. Currently work is proceeding on the adaptation of three other churches—one as a badminton centre, the second as the home of the Da Silva puppet group and the third as a costume museum (including ecclesiastical costume) in association with the Strangers Hall museum. Discussion is at an advanced stage for the conversion of three others—as an ecumenical centre under the sponsorship of the Mother's Union, as an arts centre and a gymnasium while a theatre group is showing strong interest in yet another.

We have yet to find another city with a problem the size of that with which we are wrestling; the key to our work has been the determination of Norwich City Council to ensure that these buildings are retained and restored to the use of the community and to this end we have had the generous financial support of the civic authority.

W. Rowan Hare, The Norwich Historic Churches Trust, Paston House, 13, Princes Street, Norwich.

## Prophylactic

From Dr. R. Kerry.

Sir—Colin D. Purves (April 7) sensibly treated his heavy boots with the Financial Times. Prevention is better than cure and during a recent holiday in the Lake District, trouble was prevented by firmly packing boots overnight with the Financial Times.

Dr. R. J. Kerry, 21, Whitworth Road, Sheffield.

## Babcock

From Mr. W. Willocks

Sir—As one of your elderly and nostalgic readers I noticed

# New wrinkles in the cosmetics industry

BY SUE CAMERON, Chemicals Correspondent

law, which insists that all ingredients be listed.

The U.S. authorities also say that companies must prove that their products are safe—or else state on the pack that the contents have not been satisfactorily safety tested. But this latter option is not one that any reputable manufacturer would take, particularly as successful cosmetics marketing depends heavily on brand image.

All the major cosmetics companies insist that their safety standards have always been high. The UK Toilet Preparation Federation points out that most of the 400 materials on the European list of banned ingredients have long been on the poisons list in Britain and have therefore not been used in cosmetics.

## U.S. consumer complaints

Meanwhile, the American cosmetics industry stresses the results of a survey on consumer complaints carried out by the U.S. Food and Drug Administration itself. It was found that there were only 1.8 complaints per 1m units of cosmetic products sold. The U.S. beauty houses claim this is far fewer than the number of food-poisoning incidents reported each year—an estimated one per 100,000 units of food sold.

Safety standards have clearly improved dramatically since the middle of the 18th century when the lovely Lady Coventry, one of the greatest beauties of her day, died at the age of 27 from lead poisoning. White lead, according to Horace Walpole, was one of the main ingredients of her particular type of make-up.

The long-standing claims of the modern cosmetics industry about the safety of its products did not stop it putting up some stiff opposition to the new legislation when it was first

proposed. The U.S. ruling that all ingredients must be listed on containers was fought particularly fiercely.

Some companies claimed this requirement would force them to give away their commercial secrets. Others insisted that the whole exercise was pointless because long lists of chemical names would mean nothing to the average beauty counter customer.

But one of the smaller, U.S.-based companies, Redken, which had sales of \$30m in America last year, believes some companies may have had more dubious reasons for attacking the regulations. It says it knows of at least two cosmetics producers which had to do some quick reformulation when the new U.S. laws were first introduced—the ingredients they mentioned in their advertisements were rather different from what they actually put in their products.

Redken, which estimates that the total U.S. cosmetics and skin care market is worth some \$4bn a year, says the American laws had little effect on sales. But it adds that the ruling on publication of ingredients seems to have brought little benefit to consumers.

The idea of printing ingredients on packs is a good one because it helps consumers avoid materials to which they are allergic, Redken says. "But only a tiny number of people suffer from allergies. And we do not feel the Food and Drug Administration's programme on cosmetics is proving particularly effective overall."

"We have asked our salons—we sell our products only to salons—whether customers pick up packs and read the ingredients. The salons say they do not. One reason for this must be that consumers do not have the faintest idea what the names on the pack mean—particularly as U.S. manufacturers have to use proper

chemical names, not common ones. We cannot say a product contains vitamin A, for example; we have to use the chemical name, which is retinol. "The new legislation doesn't seem to have helped consumers to choose between one cosmetic and another or to buy more wisely. It has just confused them."

But Redken, which spends about \$1m a year on research, stresses that the new rules have had an effect on manufacturers' costs. It estimates that safety tests on a well-established product normally cost between \$2,500 and \$5,000. Safety tests on a product that contains new ingredients can cost as much as \$50,000.

Redken adds that there are some 5,500 materials commonly used in U.S. cosmetics production and these can be combined into at least 35,000 different formulations.

Max Factor, part of the U.S.-based Norton-Simon group, says cosmetics ingredients in common use today include mineral oil, chalk, purified water, glycerine, paraffin, kaolin, alcohol, castor oil, talc—the best talc is mined in Italy—perfume oil, pigments and titanium dioxide. The company adds that basic formulations for moisturisers, face powders, lipsticks and all the other "decorative" products do not differ much from one company to another.

Yet every woman knows that the price of cosmetics can vary enormously—depending on the brand. Max Factor, whose products are aimed at the middle sector of the market, states that the more expensive cosmetics do contain "costlier" ingredients. But such assurances still leave the average user wondering whether or not she will obtain value for money if she spends £10 on a jar of face cream.

It is estimated that raw material costs normally account for roughly 10 per cent of a

manufacturer's product price. Packaging, advertising and distribution are each thought to account for about 20 per cent of the manufacturer's price while 15 per cent is spent on running costs, some 2 per cent on research and development and a further 2 per cent on test marketing.

This rough and ready breakdown of costs—which excludes manufacturers' and retailers' profit margins—suggests that the lady is not given value for money in terms of cosmetics ingredients or skin care research.

The latter is sometimes highlighted in make-up advertisements but scientific research intended to develop new cosmetics rather than to test existing ones for safety is done on a comparatively small scale—even though a growing number of beauty houses are owned by the big drug companies.

Boots produces cosmetics, as does Beecham, which owns Astor, the brand leader in both Germany and Spain. Other pharmaceutical groups which have cosmetics subsidiaries include the U.S.-based Smith, Kline, Beecham, the German Nephew, Hoechst, the German drugs and chemicals giant, and Eli Lilly, the U.S.-based owner of Elizabeth Arden.

## 'We are selling a promise'

Elizabeth Arden, an up-market cosmetics house, invests a comparatively large 10 per cent of its turnover—estimated at some \$75m a year—in research. It says it also benefits indirectly from the drug research carried out by its parent company. But science does not form the chief plank in Arden's marketing policy.

"We are selling a promise," it purrs and in doing so it probably encapsulates the entire philosophy of the middle range and higher-class beauty houses.

But nothing could be more prejudicial to a brisk trade in promises than a bargain basement, tuppence-off sales pitch sited between a pile of baked beans and a shelf full of washing-up liquid. That may be why the industry in the UK has been so unenthusiastic about proposals to sell cosmetics in supermarkets.

Last month, the Sainsbury supermarket chain attacked the cosmetics companies for refusing to allow it to sell their branded products in its stores. Sainsbury claimed that leading cosmetic manufacturers were afraid that the prestige of their products would be damaged by selling them alongside food. It also suggested that Boots was putting pressure on other cosmetics producers.

Boots, which has 34 per cent of the UK cosmetics retail market and 12 per cent of British cosmetics production, denied the charge and claimed that far from fearing competition it "thrived" upon it. But it admits that supermarket cosmetics sales "could downgrade the product."

It claims that women do not want to buy their make-up "off peg boards." Yet Boots' larger stores are supermarkets of a type and they sell foot-cream for pets rather than people. If cosmetics do not mind finding cans of Whiskas within a few feet of the make-up counter they are hardly likely to object to tins of beans.

Sainsbury has now begun to sell its own brand of cosmetics—Natur. And it expects that more and more supermarkets will start selling the less expensive ranges of cosmetics "because it is a convenient way to buy cheaper items."

Large-scale supermarket sales would probably force manufacturers to make major changes in their marketing strategies which may account for their turning a cold shoulder in Sainsbury. They would have to emphasise price rather than promise to the consumer and they would also have to switch to higher volume and lower profit margin sales.

The net result of new legislation and new marketing trends could be a better deal for consumers in the form of cheaper and safer cosmetics. But there will always be room for high-priced, high-quality products. And safety must always be seen in relative terms.

The lovely Queen Jezebel "painted her face and tired her head" to such effect that Jehu thought it safest to have her executed by eunuchs.

## Letters to the Editor

### Transactions

From the Chairman, Oxford Keynes Society

Sir—Professor D. Myddelton wrote (April 11) that "a voluntary exchange is expected to benefit both parties to it." This is an unfortunate point of view, no doubt stemming from the continued existence in orthodox economics of consumer theories that assume omniscience, and propagated by those wishing to commend the virtues of a free enterprise economy.

A transaction may be voluntary but it need not benefit a transaction if he doesn't know what he's getting for his money. One need only look at Esther Rantzen's "That's Life" to get a grasp of the wide range of instances in which a consumer can be "diddled."

Such false-trading occurs most commonly for two reasons. First, due to information asymmetry where (usually) the consumer knows little and is relatively "green" compared to the seller. In this case the consumer has to rely on very imperfect sources of information and in the last resort on the seller, who can give a grossly misleading picture about the relative attractiveness of what he is selling. The Ford Pinto case in America is a case where consumers were kept in the dark about a design defect. Certainly those who were seriously burned, maimed, or killed by this did not benefit from their "voluntary" transaction. Second, neither party might know the full effects of the commodity being transferred. Huxley Dixon, Balliol College, Oxford.

### Oil

From Mr. J. Uter

Sir—Earlier in the year you published a letter from me in which I asked that oil companies should recover such cost increases as were necessary by reducing rebates in preference to increasing schedule prices. At the time

I instanced a typical contract for heavy fuel oil under which a schedule price of 7.5 ppi was reduced by 2.5p to give 331 per cent rebate and a net price of 5.0p.

Although an increase in the schedule price of 0.7p appears to have contained the rise to single percentage figures, that same 0.7p amounts to 14 per cent on costs for the consumer who still has a withdrawable rebate of 44 per cent hanging over his head. Even if the oil companies do not intend to alter their system, perhaps they will take this opportunity of justifying it.

John Ilett, Romiley, Stockport, Cheshire

### Railways

From Mr. A. Lamb.

Sir—I cannot agree with Mr. E. W. Russell (April 14) in his claim that all road users pay more than their fair share of tax. It is unnecessary to use 44 tonne lorries if the railways are used to maximum effect. The expense of strengthening the lorries, or rather fitting an extra axle, will be eliminated and the revenue of British Rail would be increased. This seems extremely important in view of the advanced passenger train to which so much attention is given in the Financial Times of April 18.

Adrian T. Lamb, 44, Portland Road, Stonegate, Leicester.

### Exporting

From the Head of Comprehensive Guarantee Group, Export Credits Guarantee Department

Sir—May I take up the three points made by the chairman of Sanderson Engineering (April 7) questioning the value of an Export Credits Guarantee Department policy for the smaller exporter. Against these doubts, the

fact is that out of about 12,000 polyholders in total, over 4,000 transact annually less than £50,000 exports each (including some 2,000 policyholders transacting less than £10,000 exports a year each).

The usefulness of an ECGD policy "if you have to make a claim" is attested by the fact that in a single recent year ECGD paid nearly 30 individual claims on average every working day, thereby disbursing a total £94m—often in relatively small individual amounts.

The Department does, in fact, "spell out its conditions in the English language." ECGD's regular practice is to accompany each guarantee with an explanatory leaflet which sets out the procedures under the facility in straightforward terms. In addition, ECGD's regional offices exist to provide any further technical advice which may be required on particular cases.

Derek Smith, P.O. Box No. 273, Aldermanbury House, Aldermanbury, EC2.

### VAT

From the Deputy Chairman HM Customs and Excise

Sir—Mr. Goulden (April 19) says that the value limit for issuing simplified VAT invoices should be raised from £10 to £20. Mr. Goulden may be interested to know that the regulation was amended on May 4 last year to raise the limit to £35. The impending change was announced during the 1978 Budget Debate, and registered traders were informed in Customs and Excise Public Notice No. 754.

A. J. Phelps, Board Room, H.M. Customs and Excise, King's Beam House, Mark Lane, EC3.

### Wealth

From Mr. D. Mahon.

Sir—You report (April 18) that attention is being drawn to

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# Many promises, no magic

revive the spread of the practice of gathering scholars who are quick, or slow and immovable, and teaching them all together, the Tories' delay might save off a drop in academic attainment later on. But merely retaining the dual system is irrelevant to anything a lay person might think of as standards. The reason is that both 16-plus exams, like GCE Advanced-level, generally use a "norm-referencing" convention for grading candidates in subjects which attract a mass entry. This device bases the award of each different grade on a predetermined percentage of the entrants. Since entries have been increasing, the numbers gaining the grade awards have been rising. But whether actual standards of academic attainment among the entrants have been going up, down or nowhere, it is impossible to divine from the exam results.

One possible way of inducing better performance might be to restore the possibility of failure in O level (those who used to fail now receive grades D and E), and introduce it into the CSE exam. It seems probable that to avoid a fall teachers might teach the pupils harder than they would when regarded of exam performance, they are bound to get some kind of certificate anyway. But the teachers' unions prefer failure to remain unrecognisable, and even the Conservatives have refrained from promising to restore it to public view.

On the other hand, academic quality at the top of the range should be improved by the Tories' promise of an assisted-places scheme. This would go beyond repealing the law requiring fully comprehensive secondary schooling in the minority of local authority areas which retain grammar schools for the 25 per cent or so most scholarly secondary-age pupils in their vicinity. The assisted places

scheme would relieve also the semi-independent direct-grant schools, two-thirds of which have preferred eventual independence to assimilation by the State comprehensive system.

Under the new Tory scheme independent schools could once again opt for State support by making a quarter of their places available to children from local authority schools. But whereas the old direct grant was used in educating only the local authority children free of charge, the assisted-places money would be used to permit the waiving or reduction of fees, on a means-tested basis, of all pupils whether from State or from private primary schools.

## Smaller corner

Assisted places are anathema to Labour whose policy is to wipe out totally the few remaining State grammars, and let inflation and marginal tax rates drive fee-charging schools into a smaller and smaller corner. But even if the Conservatives form the next Government their assisted-places plan will come under pressure from officials at the Department of Education and Science.

The reason is that recent research in 12 London comprehensive schools by Professor Michael Rutter of London University has confirmed officials' belief that unless a comprehensive can retain a fair proportion of academically able children, it cannot raise its performance either in academic attainment or in discipline. So the DES has been keen to encourage a "creaming off" of able pupils from semi-independents might boost academic quality at the top end of the range. It would cause a disproportionate slump in general attainment and in school discipline as to induce a further increase in child delinquency.

Presumably the officials think

that this problem could not be countered by the Conservative promise to redirect teacher-training more towards disciplinary skills, and to exhort local education authorities to support school staff who took steps to enforce good order.

The Tories' final promise on standards is to devote resources to the testing of children's skills in the three Rs at certain educationally critical ages, though apparently without disclosing the different schools' results. Similar testing on a sample basis is already being done by the Assessment of Performance Unit within the DES.

Results so far suggest that skills of reading and writing are not as bad as has been rumoured. But a survey by the unit, due for publication in June, evidently found that 11-year-olds were in many instances disturbingly bereft of even the most simple skills of numeracy. As always the deficiencies seem worse in some areas, especially the inner cities and towns. An exception is inner London which spends an unusually large amount of taxpayers' money on education.

The approach being taken by Labour to improve these basic skills is the slow one of consultation. At present the DES is collecting the results of a request to local authorities to examine and report the weight of attention given by their schools to "basic-skills" subjects. The next step would be to use the results of the inquiry for discussion with teachers' unions and other interests in the cause of establishing a common core to all schools' curricula, so that pupils were guaranteed lessons in various essential subjects through their compulsory schooling.

The delay before agreement was reached on a core curriculum, would inevitably be followed by another. The reason

is exemplified by the worrying arithmetical deficiencies among 11-year-olds because the prime cause is doubtless a lack of adequate numeracy among primary school staff. Teachers cannot impart skills that they do not understand, so there would need to be much training and re-training before an agreed core could be established as general practice.

The same applies to the second educational issue raised by the election—the relevance of studies to the economy. Here both main parties are promising attention to the supply of more engineers, technologists and technicians. The Conservatives are doing so while simultaneously pledging no further rise in the number of full-time students in higher education, thus implying fewer degree-level students taking arts subjects and social studies. The trouble is that it is distinctly less than certain that what employers mean when they call for better engineers and technologists, is more of the mostly research-directed graduates from degree courses in such topics. Perhaps this is why Mrs. Shirley Williams, Education Secretary, is worried that the increasing numbers of school-leavers now entering degree courses in engineering and such like will not gain the worthy employment they expect.

Nevertheless, Labour would go on expanding the number of students, trying to encourage larger intakes of part-timers and adults, particularly from working-class backgrounds. Indeed, the election has cut off announcements of various grants and other inducements in pursuance of that aim which, incidentally, has already been pursued by Sweden without any significant success.

At the sub-degree level of post-school education both main parties are offering better preparation for working life. The

Conservatives' main means would be more "vocational" courses, with youngsters being induced to take them by greater generosity on the part of local authorities with discretionary grants. Last year, however, the local authorities preferred to use for other purposes about £20m of the funds they were notionally given for distribution as discretionary grants. Another problem for the Tories' vocational scheme is the uncertainty of what work skills will be needed as microprocessor technology develops.

Labour's sub-degree plan is to offer employers short-term grants in return for setting up traineeships for people aged 16-18. Lasting between three and 12 months depending on sector of employment, the traineeships would be centres mostly "on the job" but with about two days a week at college or a similar institution. If the grants did not induce employers to provide about 75,000 such places by 1982, legislation would probably be brought in to require 16- to 18-year-old workers to be released regularly for continued education. The economic relevance of this measure is, however, open to question since it would cause many employers to reduce their competitiveness by taking on more young workers than they would otherwise need.

## Birth rate

The prospects of success for all the proposals will be affected one way or another by a sustained period of reducing numbers of pupils and students in train of the birth-rate which, although turning upwards now, has been in decline for several years. Reducing numbers, however, may well have an even greater effect on the remaining major issue of parental choice.

Here both main parties would



Trevor Humphries

institute measures such as local tribunals to which parents could appeal if dissatisfied with the school to which the local authority had allocated a child. The Conservatives promise to make schools indicate their academic performance by publishing their examination results. But the need for closure and concentration of schools—particularly sixth form teaching which looks bound to be provided increasingly in further education colleges—is inescapable if the per capita cost of educating the decreasing numbers is to be kept within reasonable bounds. Leading Conservatives talk of preserving small "village" primary schools. However, their ability to finance this, along with the assisted-places scheme and so on without increasing the £8.5bn educational budget, is open to question.

Thus real choice of schools within the State system seems likely to diminish. Moreover, both parties would abolish the "legal lever" by which parents institute measures such as local tribunals to which parents could appeal if dissatisfied with the school to which the local authority had allocated a child. The Conservatives promise to make schools indicate their academic performance by publishing their examination results. But the need for closure and concentration of schools—particularly sixth form teaching which looks bound to be provided increasingly in further education colleges—is inescapable if the per capita cost of educating the decreasing numbers is to be kept within reasonable bounds. Leading Conservatives talk of preserving small "village" primary schools. However, their ability to finance this, along with the assisted-places scheme and so on without increasing the £8.5bn educational budget, is open to question.

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## Weekend Brief

### Daily papers

When the Prime Minister and Mrs. Margaret Thatcher stand before the election Press Conference at their party headquarters in Whitehall, their immediate aim is to provide material for the television cameras which will guarantee them a prime spot on the small screen throughout the rest of the day. Nowhere is this more apparent than in the conference room at Conservative Central House, where there is no escape from the pervasive presence of the camera crews and their powerful lights. In the soundbite-conscious world of television, politicians soon show signs of flitting, with many of them saturated in perspiration.

An exception, of course, is Margaret Thatcher. She merely bows, as if to emphasise the fact that President Truman's famous words about the heat of the kitchen will pose no problems for her should she become Britain's first woman Prime Minister.

In accordance with the Conservative campaign strategy of ensuring that the leader is not trapped into over exposure in a longer than usual run-up to polling day, Mrs. Thatcher was seen way behind Mr. Callaghan and Mr. David Steel in joining the press conference trail. Her eagerness to get moving—even though the opinion polls suggest that she has no need to concern herself with making up lost ground—was demonstrated by her willingness to give an impromptu television interview despite the fact that only hours earlier one of her principal aides had been angrily engaged in trying to keep the cameras at bay.

On the conference platform, watched to the other end of the room since the Ted Heath era, Mrs. Thatcher is always looking for opportunities to bring shadow cabinet colleagues like Willie Whitelaw, Geoffrey Howe or Jim Prior into the spotlight. No doubt she remembers the occasion during the 1970 campaign when she was drafted on to the platform as the "statutory woman" role did not give an opportunity to her a single word.

nate days was rejected. The response from Mrs. Thatcher: "I am not going to be shown around by anyone."

And so soon after 9 am each day a knot of sleepy-eyed journalists gathers on the corner of Smith Square, Westminster, waiting for Labour's morning Press conference in Transport House.

Under the glare of the TV lights in the Transport Hall the proceedings have been dominated by what the Spectator has termed the "bovine splendour" of Mr. Callaghan's presence.

Some minor characters have been allowed a walking-on part as a gesture towards the democratic nature of the people's party.

The glum Mr. Sam Slick, Attorney General, held forth briefly about the dangers of legislating on the trade unions. Miss Joan Lester, MP for Epsom and Slough, was permitted a short lecture on the good labour relations existing at the Slough Trading Estate.

All worthy stuff, no doubt, but hardly a word of it gets reported. The limelight remains firmly on the Prime Minister.

Compared with previous elections, Labour's conferences have been very low key—almost moribund. The questioning has been desultory and awkward pauses have been filled by earnest problem solvers from overseas journalists, mostly on the Common Market. One reason is that the hall is half empty with many of the Press corps attending the rival Tory conferences on the other side of Smith Square. Also, the plodding nature of the campaign so far has thrown up no worthwhile controversies for the Press to seize on.

There was a slight tremor of anticipation earlier in the week when Paul Johnson, the former Left-wing polemicist, was seen in the audience. In his new role as the Right-wing Savonarola he has been writing some nasty things about Mr. Callaghan.

But the Prime Minister deftly answered Mr. Johnson's questions and then administered a neat put-down. "Paul Johnson? Really? I did not recognise him," he loudly declared to his entourage as he left the hall.

As usual, the rather creaky facilities of Transport House—opened by Ramsey MacDonald in 1928—have been under strain. An attempt to do a live transmission of the Prime Minister's press conference from Birmingham ended in near disaster with his voice sounding like a Dalek. But officials promised great improvements in the system on future out-of-town conferences.

Over at the National Liberal Club David Steel sits patiently in the 19th-century grandeur of the smoking room waiting for the journalists to arrive from the other Press conferences.

With portraits of Gladstone and Lloyd George gazing down at them reporters slump into the massive leather chairs, quite a relief after the plastic topped variety at Smith Square.

The trouble is that the building, opened in 1884, was never designed for a modern press conference. Voices float off into the high ceiling and anyone sitting beyond the first six rows can hardly hear a word that the Liberal Leader is saying.

If possible, things here are even more subdued than at the briefings by the main parties. Mr. Steel—a buttoned-down politician at the best of times—makes a brief statement. This is followed by three or four polite questions before the audience starts to drift towards the doors.

The Liberals want to work on the assumption that the smaller



Callaghan and Thatcher: a fight to be first with the news.



Callaghan and Thatcher: a fight to be first with the news.

the party the more paper you have to produce to draw attention to yourself. A few days ago Lord Evans of Cloughton, chairman of the party's General Election committee, announced that a further seven manifestoes were available on Liberal policy. That brought the total for the week to 14.

## Sad Times

GET READY, get set... One of the trickiest problems facing Times Newspapers over the past few weeks was the timing and handling of a bumper promotion campaign to boost the new aborted relaunch of The Times and Sunday Times. On some estimates, Times Newspapers was planning to spend as much as £1m on advertising, though £600,000 to £750,000 sounds more likely. Either way, the company has had to move fast over recent days to cancel Press, poster, magazine, radio and TV bookings.

What it couldn't cancel in time was a four-page print ad in the trade magazines, Campaign and Marketing Week. The cost will have been insignificant, but there are pink cheeks in Gray's Inn Road.

The ads took the curious form of a taped interview between David Wheeler, director of the Institute of Practitioners in Advertising, and the two top men at the Sunday Times, Garry Thorne, advertisement and marketing director, and Nick Hill, the display ad manager.

The interview was recorded at the IPA's Belgrave Square offices on March 21, and reveals considerable optimism. Asked when the Sunday Times would reappear, Mr. Thorne replied: "Well, keeping our fingers crossed, we're absolutely committed to coming back on April 21."

Asked whether he had booked his television time: "Oh yes. We booked it the day we heard that Mr. Booth looked as if he had found a formula for peace. I have put money on it with the television companies and we

are totally committed to spending a huge amount in that week."

Fortunately for Mr. Thorne, he was able to cancel the bookings in time, though he has had to give a commitment to the ITV network to spend an equivalent sum of money if and when the Sunday Times does reappear.

Can the paper hope to come back at the circulation level prior to last November 30, the day Times Newspapers suspended all five titles? At that stage the Sunday Times circulation was approximately 1.4m. According to Mr. Thorne, the print run for the relaunched Sunday Times will be at least 1.6m, though it is bound to drift downwards as the Sunday newspaper market realigns itself. A month ago the Sunday Times was envisaging 80-page papers by the autumn, plus 128-page issues of the colour magazine.

The crunch, if it ever arrives, will concern the extent to which the Sunday Times can win back readers from the Observer and Sunday Telegraph, the two papers that have gained most from Times Newspapers' four-and-a-half month absence.

Mr. Thorne was asked about this in his interview with David Wheeler. "I don't want to minimise problems, David," he replied, "because obviously one of the things that has concerned us is that when you deprive any consumer of any product for any length of time... he can become disappointed when you re-introduce him to the product, even if it's identical to the one you had to withdraw in the first place. That's one of the reasons why we are spending a great deal of money, and one of the reasons we are going to have the Sunday Times as identical as we possibly can to the way it was when we left, to avoid disappointment."

Contributors: Ivor Owen, John Hunt, and Michael Thompson Noel.

SUNDAY — Department of National Savings' monthly progress report (March). Mr. Moss Evans, general secretary, Transport and General Workers Union, speaks on eve of Scottish Trades Union Congress conference, Inverness.

MONDAY — General Election candidates' nominations close. Mr. Michael Edwards, chairman of BL, speaks at Freight Transport Association dinner, Hilton Hotel, London. Mr. David Steel, Liberal Party leader, is guest on Jimmy Young show, BBC Radio 2. Mr. Sid Weighell, general secretary, National Union of Railwaymen, speaks in support of Labour Party, Hampton Club.

TUESDAY — Teachers' pay talks resume, Church House, Westminster. British Transport Docks Board annual report. National Freight Corporation annual report. Bricks and cement production (March). In-

## Economic Diary

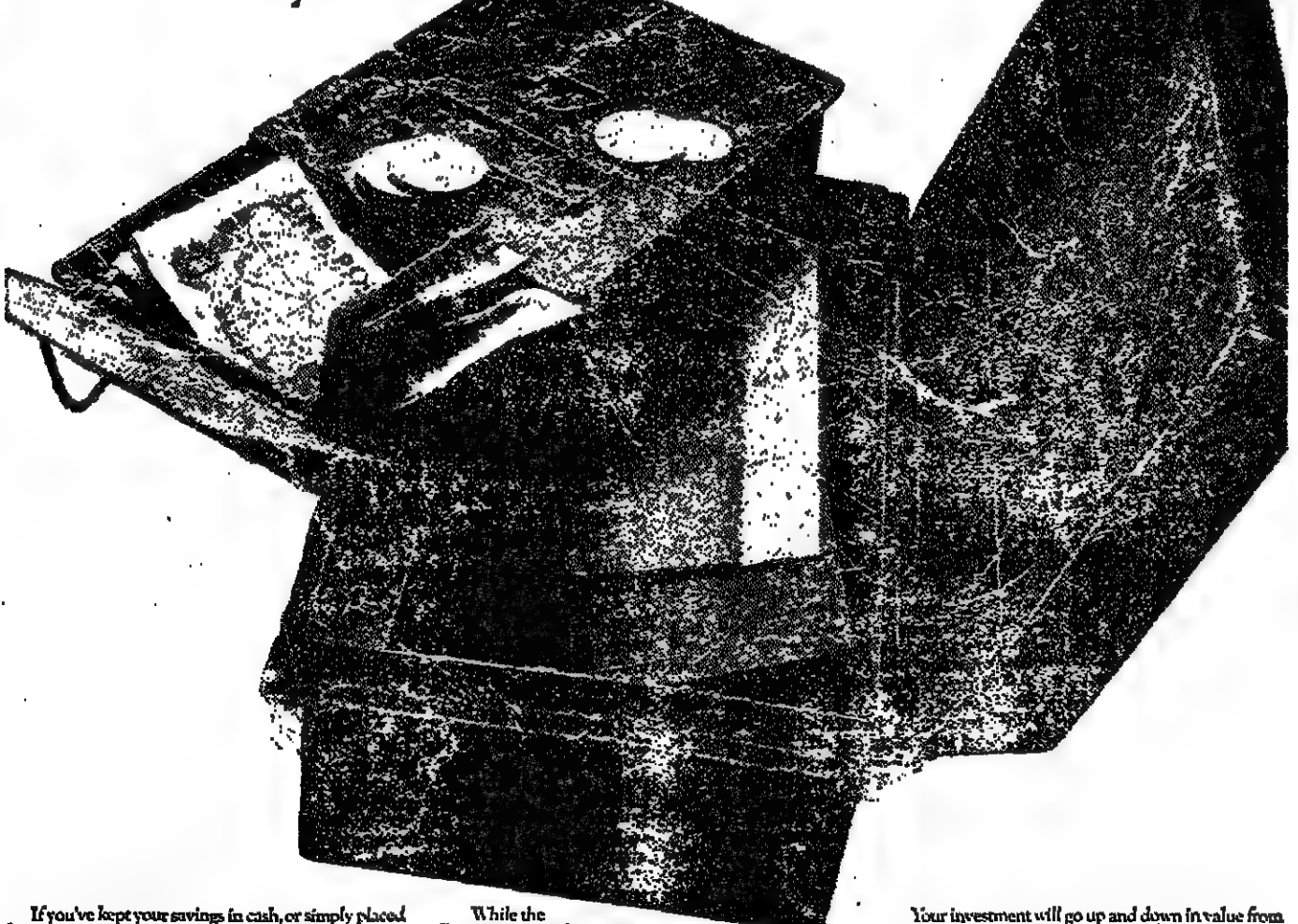
St. Pancras, London. European Parliament in session. Strasbourg. New vehicle registrations (March). New construction orders (February). Consumers' expenditure (first quarter—first preliminary estimate). State-ment by Market Research Society on "door-step manipulators" who abuse householders' privacy.

TUESDAY — Teachers' pay talks resume, Church House, Westminster. British Transport Docks Board annual report. National Freight Corporation annual report. Bricks and cement production (March). In-

dustrial and commercial companies; appropriation account, net acquisition of financial assets and net borrowing requirement (fourth quarter). WEDNESDAY — Trades Union Congress general council meets, Congress House, London. Mrs. Margaret Thatcher, Conservative Party leader, on Jimmy Young show, BBC Radio 2. Sir Harold Wilson and Mr. Harold Lever address Association of Independent Businesses, Quaglin's, London. THURSDAY — Mr. Len Murray, general secretary, TUC, addresses National Union of

Tailors and Garment Workers conference, Ocean Room, Scarborough. Institutional investment (fourth quarter). Car and commercial vehicle production (March—final). Department of Employment Gazette will include unemployment (March—final); employment in the production industries (February); overtime and short-time working in manufacturing industries (February); stoppages of work due to industrial disputes (March); and quarterly estimates of employees in employment (December). FRIDAY — Prime Minister appears on Nationwide "On the Spot" programme. BBC TV. Mr. David Steel is guest on Robin Day election call, BBC Radio 4.

## Is your money working as hard as you are?



If you've kept your savings in cash, or simply placed them in something like a straightforward savings account, then the answer is probably "No". The best your money is doing at the moment is earning interest, and in these inflationary times that really isn't good enough.

What you need is a scheme that gives your capital the chance to grow too. And that's what the new contracts from GRE Linked Life Assurance Limited are designed to do.

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GRE Linked Life Assurance Limited is a specialist subsidiary of Guardian Royal Exchange Assurance, one of Britain's largest insurance companies with assets of over £2,500 million.

GRE has over 250 years' experience in using investment skills as well as underwriting expertise to fulfil the expectations of policyholders. And it is this investment experience that lies behind these three new contracts.

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Which is right for you? The three contracts are designed to suit everyone from the investor who can pay a large single premium to the person who wishes to save a small sum every month out of income.

The Capital Builder is a regular savings policy with a minimum premium of £10 a month. You can keep the contract in force until you are 70 or you may cash it in after ten years without incurring any penalty.

The High Investment Plan is a 10 year regular investment plan with minimum life savings of £250. It is a protection specially designed for the larger investor. The minimum monthly premium is £20.

While the Investment Bond is a single premium contract payable at any time with a minimum original investment of £1,000.

How tax relief helps. The Capital Builder and High Investment Plan both qualify for life insurance premium relief and this is currently worth about two monthly premiums a year, so you get that much more value than the actual cost to you.

Choose your own portfolio—or let us manage it for you.

There are six different portfolios to choose from, all of them handled with the same degree of expertise. If you choose our Managed Portfolio the GRE investment experts are free to spread the investment wherever they feel the prospects are brightest.

Alternatively you can choose an individual portfolio yourself. For example, if you feel that the outlook for property values is promising, you can opt for the Property Portfolio. If you wish to look at overseas companies then you can choose the International Portfolio, and so on.

Fixed Interest, Equity and Deposit complete the range of portfolios available.

An important advantage of all the contracts is that you may switch at any time from one portfolio to another. And one switch every policy year is free of charge.

An investment you can keep an eye on.

Whichever contract you choose you can keep a close watch on the performance of the unit prices through leading newspapers.

That way you can decide when a change of portfolio might suit you best.

Your investment will go up and down in value from time to time, with fluctuations in the market prices of the assets comprising the chosen portfolios. However, the expertise of the GRE investment team offers good prospects for future performance over the years.

How soon can we start to make your money work?

The first thing to do is to complete the coupon below, and we'll send full details to you straight away. Then we suggest you discuss your aims with your regular investment adviser or local GRE branch to decide just which contract meets your individual requirements best.

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**GRE Linked Life Assurance Limited**

To Guardian Royal Exchange Assurance, Field Operations Department, FREEPOST, London EC2P-9BE. Please send me an explanatory booklet and a specimen for: Capital Builder (single premium £100-£250 per month) High Investment Plan (single premium £250-£500 per month) Investment Bond (single premium £1,000-£25,000)

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Address \_\_\_\_\_

Date of Birth \_\_\_\_\_

Name of your Insurance Broker/Financial Adviser (if any) \_\_\_\_\_

(Applicable to the U.K. only)

# GREAT INVESTMENT



# Marshall Cavendish well below forecast at £1.73m

## Ford strike cost BSG over £1m

ALTHOUGH PROFITS of Marshall Cavendish, publishers, suffered a severe setback in 1978, the directors are looking for much improved results in the current year.

Certain losses in magazine, record and U.S. supermarket activities in 1978 will not recur, they state.

Group profit fell well short of the forecast. The directors were looking for around £2.4m but in the event only £1.73m was earned, compared with £3.08m in 1977.

Earnings are down from 7.35p to 4.89p per 10p share. The final dividend is 3.082p to lift the net total from 4.35p to 4.422p.

● **comment**

Marshall Cavendish has fallen short of its forecast by nearly £0.7m. Most of this is accounted for by the failure of its venture into U.S. supermarkets with a weekly encyclopedia called "Tree of Knowledge," which incurred losses of roughly £0.5m. This, coupled with earlier losses of around £0.5m on "Pace" magazine and a £0.3m deficit from the record company (which promotes new talent), has left profits 44 per cent lower for the year and the dividend is barely covered. With eggs on its face over the last forecast, the company is clearly not making its colours to the mast this year. However, evidently all divisions are showing strong progress so far and a full recovery could be possible. The new partwork launch, "On

DIVIDENDS ANNOUNCED				
Company	Current payment	Date	Corre- Total Total	Dividend
Automated Security	0.33	May 31	0.33	1.49
Ben Bailey	0.33	July 8	0.33	1.49
British Empire Secs. Int.	0.18	May 24	0.18	1.49
Clayton Sop	0.33	July 2	0.33	1.49
Andrew R. Findlay	0.33	July 2	0.33	1.49
A. Henriques	0.33	June 8	0.33	1.49
Liberty	0.33	May 29	0.33	1.49
Lowland Invest.	0.33	June 11	0.33	1.49
Marshall Cavendish	0.33	June 11	0.33	1.49
Steel Bros.	0.33	July 3	0.33	1.49
Websters Publications	0.33	June 1	0.33	1.49
Wilson (Connolly)	0.33	July 3	0.33	1.49

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ For 15 months.

the Road," has been particularly successful. At 50p the shares sell on a p/e of 9.6 while the yield is an attractive 14.1 per cent.

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## Findlay well off target

WELL BELOW forecast pre-tax profits are reported by Andrew R. Findlay Group for 1978. At the time of the rights issue last November the directors were expecting a result of not less than £450,000. In the event a decline from £444,980 to £292,382 is reported.

Profits were struck on turnover of £13.76m (£11.4m) and was after an exceptional item of £114,731 (£148,010). Tax took £81,981 (£78,032).

Expenses of the new issue are

1978	1977
Turnover	13,760
Trading profit	9,823
Interest	2,188
Associated profits	1,875
Pre-tax profit	2,917
Tax	2,917
Net profit	3,994
Extraordinary items	94
Minorities	11,177
Dividends	871
Retained	2,398

● **comment**

Steel Brothers' results in 1978

## Results due next week

A near full recovery to pre-tax profits of between £15m and £18m is expected to be announced next Wednesday by Spillers, the milling, food manufacturing and confectionery group.

The results, which compare with the previous year's depressed figure of £8.6m and 1978-77's record £18m, will reflect the company's withdrawal from its loss-making baking activities.

Analysis warn, however, that the haulage strike in January might lower the outcome to some extent. The group's non-baking activities are not expected to have made much progress.

The absence of a price rise will have slowed the milling side but groceries, meat and animal feeds should have done a little better.

Other major companies due to report next week include Rugby Portland Cement, Vickers and Tarmac.

Company	Announcement date	Dividend (p)	Final	1978
Albion Holdings	Friday	0.2	0.5	0.35
Alpine Holdings	Tuesday	0.25	1.35	1.10
Amalgamated Metal Corporation	Monday	5.0	10.12	5.5
Amalgamated Power Engineering	Monday	1.25	3.58	3.48
Barrow Hepburn Group	Thursday	1.375	-	-
Belgrave (Blackheath)	Friday	2.35	-	-
Berill Tin and Wolfram	Thursday	3.0561	5.8101	3.69
Bestobell	Tuesday	1.30258	1.4128	1.4549
Boycott International	Wednesday	0.36	2.54	1.03
Brander (Wrexham)	Thursday	0.782	2.0267	0.5733
Brook Street Bureau of Mayfair	Friday	0.425	0.495	-
Burrell and Co.	Friday	1.64	2.32	1.64
Camrex (Holdings)	Thursday	0.7	1.537	1.54
Codyco	Monday	0.17	0.5	0.35
Corinthian Holdings	Monday	0.17	3.514	3.47
Danish Bacon Company	Monday	0.975	2.019	1.0725
Electrical and Industrial Securities	Thursday	0.96	1.03885	0.968
Ellis and Goldstein (Holdings)	Thursday	1.86	1.2	1.2
English National Investment Company	Thursday	0.98152	1.13639	0.91
Estee Duties Investment Trust	Tuesday	1.1	1.753	1.4
Farm Feed Holdings	Tuesday	1.1	0.66	1.94
Federal Electronics	Tuesday	1.1535	1.2	1.2
Field Retailing (Holdings)	Thursday	1.1	1.753	1.4
Fogarty (E.) and Co.	Wednesday	0.8481	1.70393	1.12
Fosco Investments	Monday	1.26	2.6801	2.11
Future Holdings	Wednesday	1.05	1.41	1.05
Gerrard and National Discount	Thursday	4.0	4.242	4.0
Hammer Property and Invest. Trust	Friday	1.34	5.48	1.490
Harrison (T. C.)	Monday	1.278	2.1448	2.2584
Hestair	Friday	2.12	2.3244	1.86
Home Chain	Wednesday	1.29	2.3244	1.86
Hosking and Horton	Thursday	1.1514	3.261	1.814
Hoveringham Group	Thursday	0.95	1.83	0.8875
J. B. Holdings	Tuesday	1.0	0.05	0.5
Jessel, Tombs and Co.	Wednesday	0.7	2.558	0.875
London and European Group	Monday	2.0208	2.10258	2.5
London United Investments	Monday	2.0208	2.10258	2.5
Martin-Black	Tuesday	2.0	2.0	1.0
Menzies (John) (Holdings)	Tuesday	1.1535	1.2	1.2
Mowlem (John) and Co.	Thursday	1.5	0.6	1.05
Newarth	Thursday	0.484	-	-
North (M. F.)	Tuesday	0.1225	0.331	0.335
Office and Electronic Machines	Monday	0.178	2.1448	1.405
Orley Printing Group	Tuesday	1.0225	1.4026	1.976
Perry (Harold) Motors	Thursday	1.235	1.4057	1.976
Petroleum (U.K.)	Thursday	1.1514	3.261	1.814
Provident Financial Group	Monday	1.8123	3.3102	1.8008
Reveret Chemicals	Monday	1.1733	2.2897	1.17
Richardsons Westgarth and Co.	Wednesday	0.55	0.75789	0.5
Rowan and Boden	Thursday	0.55	0.75789	0.5

TAXABLE profits of BSG International for 1978 were below expectations. The group, which lost more than £1m profits because of the nine-week Ford strike, turned in a record surplus of £8.35m, against £7.74m.

But at the halfway stage when interim profits had advanced from £2.2m to £4.8m the directors were expecting the second-half to be more profitable.

However, the current year has started promisingly.

The group says that last year it was also hit by the disputes at BL and the dislocation at Vauxhall. In addition Britvic Vega, bought in July 1978, suffered not only from the problems of the British motor industry but from the upheavals in Iran where the group held major contracts for Chrysler vehicles produced there.

The group was also affected by the lorry drivers' strike and the faster side suffered from cheap imports. The rise in interest rates also took its toll, and there was no contribution from the former associated company W. Ribbons. The bulk of the holding in Ribbons which contributed £311,000 in 1977 was sold in 1978, and the remainder in the current year.

The application to improve the dividend under the relaxation rule was rejected by the Treasury. The final net payout of 1.4648p per 10p share lifts the total to 2.3232p to 2.3811p. Basic earnings are 6.58p (10.11p) per share and diluted 5.37p (8.22p).

The majority of the group's properties were revalued during 1978 and the £5.1m surplus has been credited to reserves.

Mr. Harry C. Cressman, chairman, says the UK retail motor trade in 1978 was exceedingly buoyant with car registrations for the year at nearly 1.6m, against 1.32m.

Commercial vehicle registrations rose by 14 per cent over 1977, and commercial vehicle dealers benefited accordingly. The truck bodybuilding, leasing and daily rental companies made record profits.

Mr. Cressman adds that new car registrations for the first quarter of 1979 were above those of 1978 in spite of the severe weather in January and February. With the increase in vehicle supplies and spare parts, dealerships made record profits.

## Substantial growth at Automated Security

TAKING IN eight months figures of the security division purchased from the Brooks Group and reflecting its own substantial growth turnover and profits, Automated Security Holdings doubled in the year ended November 30, 1978.

The directors state that the larger structure of the group and growth of the historic business has enabled complementary activities to develop more rapidly.

The group is now expanding fire detection, closed circuit television, central station and integrated systems divisions. These will bring growth opportunities while bringing benefit from a total capability systems approach.

In 1977-78, turnover rose from £2.24m to £7.08m and profits before tax advanced from £806,896 to £1,021,717. Rental income shot up by 145 per cent

1978	1977
Turnover	7,079,046
Trading profit	3,241,328
Interest	1,043
Associated profits	55,598
Pre-tax profit	4,299,969
Tax	481,230
Net profit	3,818,739
Extraordinary items	1,272
Minorities	108,028
Dividends	343,171
Retained	745,828

Company	Announcement date	Dividend (p)	Final	1978
Rugby Portland Cement Company	Monday	1.671	1.671	1.675
Sanderson (G. G.) Sons and Co.	Tuesday	1.0	1.31	1.0
Scottish Central Investment Company	Monday	0.75	0.75	0.75
Securities Trust of Scotland	Tuesday	2.25	3.36	3.0
Sheffield Brick Group	Tuesday	0.75	2.1	0.75
Siemens, Hunter	Monday	1.2682	1.4256	1.2586
Silhouette Holdings	Tuesday	0.84567	1.82326	1.12
Silhouette (London)	Friday	0.726	2.541	0.737
Simon Engineering	Monday	5.1419	3.0	3.0
Smith St. Aubyn and Co. (Holdings)	Wednesday	0.20	3.012	2.5
Smith St. Aubyn and Co. (Holdings)	Wednesday	0.825	0.591	0.825
Smyth Brothers	Friday	0.357	0.7221	0.4013
Smyth Brothers	Friday	3.37	6.322	3.986
Telephone Rental	Friday	1.3338	1.3338	1.3338
Torax Kemley & Millbourn (Holdings)	Tuesday	0.822	2.3048	0.5214
Trevel and Arnold	Wednesday	0.8918	3.1219	0.7725
United Carriers	Monday	0.98536	1.5543	0.9257
Vickers	Thursday	3.85	5.84	3.85
Victor Construction Holdings	Friday	2.238	1.914	2.71
Winn Industries	Friday	1.188	1.015	1.76
Wood and Sons (Holdings)	Monday	0.33	0.3322	0.34

● **comment**

The acquisition of Brooks Alarms a year ago was obviously a major development for Automated, but the eight month contribution in 1978 probably amounted to no more than the share price of £250,000. So clearly organic growth within Automated has been substantial, and £1.6m of the £5.9m jump in rental assets relates to original activities.

New business is strong and there are hopes that the Brooks deal to come through—certainly Brooks' operating margins were well below those of Automated last year. It could be disappointing if the overall group did not produce £1m pre-tax this year and indeed it needs this sort of profit to justify the market rating. On a minimal tax charge the p/e is 12.2 at 132p or 8.1 prospective. The yield is a lowly 1.7 per cent. Meantime the balance sheet shows the effect of the Brooks acquisition. Borrowings are up from £1.1m to £2.6m but overall gearing ratios are little changed, and cash flow of £3m was more than double what was invested in fixed assets last year.

# Rockwell claims 40% of Wilmot-Breeden equity

Rockwell International of the U.S., which is bidding 115p a share cash for motor components group Wilmot-Breeden, now holds 40 per cent of UK company's equity.

Mr. Bob Anderson, Rockwell's chairman, reminds Wilmot-Breeden shareholders in the formal offer document that the bid will not be increased and is "clearly in your interests."

He points out that the offer is 83 per cent above the market price of Wilmot-Breeden on the day before exploratory talks were announced. The Wilmot-Breeden Board has said it will not recommend an offer below 135p.

Cash terms were also disclosed for Wilmot-Breeden's preference shares. For each 7 per cent (now 4.9 per cent plus tax credit) 10 cumulative preference shares, Rockwell is offering 50p cash. For each 20 per cent (now 14 per cent plus tax credit) cumulative redeemable preference share of 25p, it is offering 55p cash.

All offers, including the ordinary, close on May 11. Meanwhile, Wilmot-Breeden announced yesterday that "in the light of the offer by Rockwell International Corporation," it has decided to postpone the annual meeting fixed for May 18.

Wilmot-Breeden's advisers, Morban Grenfell, said no significant change should be attached to the announcement. "There may

be other correspondence to send to shareholders in the next few days and because we have to send the report and accounts within 21 days of the meeting we do not want to confuse them by sending two separate documents."

● **HARRISONS AND CROSFIELD**

Laurence Prust, leading brokers in the plantations sector, were yesterday trying to place at least 1m shares in Harrisons and Crosfield. The shares represent about 1 per cent of the equity and at the closing price yesterday of 700p per share are worth £34m.

Prust would neither confirm nor deny the placing. Some rumours suggested that more than 1m shares might be on offer but only 1m could be confirmed. Prust is broker to a number of important corporate investors in the Far East.

## Debutante Corp. rejects bid: wants premium over assets

The board of Debutante Corporation has rejected the bid from British Airways Pension Fund.

In a letter to shareholders, Sir Archibald Forbes, the chairman, says that the offer "includes no premium over the underlying asset value and is in fact based on a definition of net assets which includes certain deductions and valuations considered wholly inappropriate by your board."

The board quotes from a letter to the Airways Pension Scheme in which Debutante says it is ready to talk but such talks would only be "worthwhile" if the pension fund recognises a number of points. One of these points is that the proposed offer is "wholly misjudged in principle and inadequate."

The Debutante board would not recommend any offer which did not include a premium element to acquire its portfolio. The board says Debutante has an attractive future and that it has a record of serving its shareholders well.

The board asks the Pension Fund to reply quickly whether, in these circumstances, a meeting would be appropriate. Sir Archibald says he wants to write to shareholders again as soon as possible. Meanwhile, he and the board strongly advise shareholders to take no action in respect of the offer.

Shares of Debutante closed yesterday at 81p down 1p. The company is currently worth about 87p per share.

● **comment**

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## St. Piran subsidiaries sack Sebag

South Crofty and Milbury, the two quoted subsidiaries of Saint Piran, have sacked Joseph Sebag and Co. as company stockbroker.

Mr. Douglas Allen, a director of Saint Piran, said yesterday that Sebag's continued position as broker "seemed inappropriate under the circumstances."

Sebag resigned last year as broker to Saint Piran because the company refused its request to appoint some independent director. Sebag continued standing to the board. Sebag did not resign from the two quoted subsidiaries. It held both of them in high regard and had a particular responsibility for South Crofty which it brought to the market.

The sacking of Sebag comes only a few days after the announcement that Mr. Henry Hodding, chairman of Saint Piran, had been appointed chairman also of South Crofty.

The reason given was that Mr. Hodding, as an executive on the spot, would be an appropriate chairman.

Another "circumstance" which could be relevant is Sebag's reduction a month ago of Saint Piran's claim that Sebag had ceased to be broker to Saint Piran by mutual agreement.

Asked why Sebag had not been sacked from the two subsidiaries before, Mr. Allen said that they had not got round to it and that they had not been sufficiently sure of certain facts.

It was also announced yesterday that Gasco Investments, a company chaired by Mr. James Raper, has increased its holding in Saint Piran to 18.4 per cent (2,150,000 shares). Mr. Raper shareholders to exercise considerable influence over Saint Piran in recent years. A Gasco man has just been appointed to the Board.

Mr. Max Lewinson, leader of the dissident shareholders, said yesterday that the increase came as no surprise to him and he expected Gasco to buy further shares. He believed that Gasco was buying from among the offshore companies to which the dissidents had drawn attention. The switch was being made because the offshore companies

had been exposed as possible nominees for Mr. Raper.

● **Clayton reduced to £0.75m**

SHAREHOLDERS IN Clayton and Co. (Holdings) were warned of a shortfall in profits for 1978, and in the event the pre-tax figure fell by £149,227 to £755,037.

At halfway the directors reported a satisfactory order book but highlighted the shortage of skilled workers. The group makes gas and oil storage tanks, pressure vessels, boilers, and machine tools.

The final dividend is 3.5871p making the net total 4.953p, against 4.44p.

1978	1977
Turnover	11,785,800
Trading profit	1,131,550
Taxation	755,037
Net profit	288,524
Minorities	10,724

● **E. C. Cases deficit**

With turnover down from £4.5m to £3.9m, E. C. Cases, manufacturer of softwood products, reports a pre-tax loss of £8,420 for 1978 compared with a profit of £104,832.

The loss per 10p share is shown at 1.83p (1.27p earnings), and again there is no dividend. Tax for the 12 months took £797 (£85,629) and there is an extraordinary debit of £28,225 (£85,230), being the loss arising on Mulvey.

The directors state that current trading commitments are adequately supported.

● **MOORHOUSE AND BROOK**

Moorehouse and Brook, the woollen and worsted cloth manu-

## Henriques jumps to £217,000

A JUMP in taxable profits from £74,705 to £217,763 in 1978 is reported by Arthur Henriques, the clothing manufacturer. Sales for the year were well ahead from £2.34m to £3.19m.

At midway the surplus had risen to £114,887 on sales up from £1.15m to £1.6m.

After tax of £75,750 (£51,736) net profit comes out at £141,015 compared with £22,968. A final dividend of 1.54 net per 10p share lifts the total from 1.503p to 3.043p. The chairman has waived the final dividend on 1,087,168 shares.

The ordinary dividends absorb £17,737, against £16,449.

## Improvement for Websters

FOR THE year 1978, Websters Publications has turned in a profit of £315,000. This compares with £905,000 for the previous 15 months, or with £724,000 on an annual basis.

The final dividend is 0.905819p for a net total of 1.496877p against 1.975355p for the previous 15 months. Earnings are shown at 5.8p (5p).



## SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and deals

British Airways pension fund launched a surprise bid for the 95.34 per cent of Debenature Corporation that it does not already own. For each ordinary share in Debenature Corporation, British Airways is offering, in cash, the equivalent of the net asset value on the day the offer goes unconditional; it is suggested that the net asset value would have been 87p on April 19. The Debenature Board is opposing the offer. If successful, the bid would mark the fourth takeover of a large investment trust by one of the major public-sector pension funds.

A new company 75 per cent owned by merchant bankers Hambros is to bid 118p cash per share for advertising agency Collett Dickinson, Pearce International. The other 25 per cent of the bidding consortium is owned by two directors and 11 senior executives of Collett. The latter's clients include Birds Eye, Barclays Bank, EMI Records, Fiat, Gallaher, Hovis, ICI, Texaco and Whitbread.

Hambros also bought an 80 per cent stake in Milano Centrale, a property company, for £10m (£8m). The seller was Cotinificio Cantoni Textile.

Farm Feed received a 95p per share agreed cash offer for the 65 per cent of the group not already owned from a consortium which includes the group's managing director, Mr. D. Faulkner. The offer is being made through a private company by scheme of arrangement. J. Bibby, the livestock and vegetable oils group, is accepting the offer in respect of its holding of 32.7 per cent.

View Forth Investment Trust is holding discussions with a "well known" unit trust group which may lead to the utilisation of View Forth.

Jardine Matheson consolidated its expansion into non-marine insurance business in the UK by acquiring for an undisclosed sum the EMI subsidiary Elizabethan Marine and General Insurance.

Dealings in Kitchen Queen and Knott Mill were suspended pending the outcome of discussions between the two which may lead to an offer being made for the capital of Knott Mill.

The Board of Western Brothers met representatives of Marshalls (Hull) following the latter's acquisition of the 27.8 per cent stake in Western previously held by W. and J. Glossop, but the discussions were terminated as no basis emerged for continuing them.

Excalibur Jewellery's talks with a third party came to a halt with no mutually acceptable proposal agreed.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder	Final Acct'ce date
Prices in pence unless otherwise indicated.						
Caledonian Holdings	177½	174	169	13.2	Comet	—
Collett Dickinson Common Bros.	118½	115	85	2.85	Hambrus	—
English Prop.	60*	60	54	57.3	Olympia & York Dev.	23/4
Farm Feed	95*	94	94	1.08	Consortium	25/4
Glass & Metal	154½	143	130	6.08	HAT	—
Jans. Richards	165½	161	100	38.0	Nareros	—
Lindsay & Wms.	126½	120	107	0.99	RFD	—
Scot. & Univ. Invs.	192½	197	204	42.3	Loughro	—
Smith Wallis	179½	175	148	1.78	R. Cartwright	—
White Child & Boney	200*	200	108	4.88	A. Guinness	—
Wilmot-Breeden	115*	114	107	16.7	Rockwell	11/5
Wolterhampton Steam Laundry	12½	23	16½	0.09	Mr. I. M. Silk	27/4

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. \*\* Based on 20/4/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. †‡‡ Unconditional.

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividend per share (p)
Arenson (A.)	Jan.	451 (278)	0.9 (0.69)
Caskett (S.)	Dec.	615 (458)	0.5 (0.4)
Crean (J.)	Dec.	793 (851)	1.75 (1.5)
Furze Technology	Dec.	854 (853)	2.0 (1.5)
Low (W.)	Mar.	922 (820)	2.1 (1.65)
Marionair Int'l.	Jan.	2,510 (2,090)	1.75 (1.59)
Photo-Me Int'l.	Oct.	1,420 (1,300)	2.21 (1.98)
Standard Chrt'd.	Dec.	129,626 (133,398)	16.21 (19.53)

(Figures in parentheses are for corresponding period.)

Dividends shown net except where otherwise stated.

\* Adjusted for any intervening scrip issue. † For nine months. ‡ For 15 months. § Profit after tax.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Ash & Lacy	Dec.	1,900 (1,400)	33.5 (23.1)	7.39 (6.83)
Baird (Wm.)	Dec.	9,580 (7,752)	38.4 (33.5)	10.37 (9.35)
Bentalls	Feb.	3,020 (2,470)	4.0 (4.0)	1.32 (1.18)
Blue Circle	Dec.	51,500 (47,900)	35.1 (27.0)	10.43 (9.44)
Bramall (C. D.)	Dec.	1,410 (1,120)	28.9 (21.2)	4.57 (—)
Burmah Oil	Dec.	17,130 (3,609)	4.7 (—)	— (—)
Callender (Geo.)	Dec.	435 (553)	3.3 (4.0)	1.32 (1.32)
Charterhouse Grp.	Dec.	11,358 (8,805)	8.3 (5.7)	4.61 (3.35)
Clive Discount	Mar.	1,420 (2,120)	1.5 (2.1)	5.33 (4.78)
Cosalt	Dec.	1,808 (2,100)	14.3 (10.9)	2.29 (2.05)
Currys	Jan.	12,187 (10,318)	34.7 (23.2)	5.07 (4.61)
Della Metal	Dec.	28,450 (23,900)	11.9 (10.6)	5.6 (5.02)
Dewhurst (J. J.)	Jan.	1,305 (1,051)	11.5 (9.5)	1.57 (1.32)
Dreamland Elec.	Dec.	1,150 (704)	5.4 (3.3)	1.42 (1.27)
Dunlop	Dec.	43,000 (37,000)	8.1 (6.0)	5.3 (5.3)
Francis Inds.	Dec.	1,500 (1,610)	17.9 (17.4)	3.76 (3.37)
Harris Queensway	Dec.	5,455 (1,819)	24.5 (7.8)	4.6 (—)
Hay (Norman)	Dec.	550 (534)	8.6 (8.4)	3.7 (3.0)
Helene of London	Dec.	1,405 (1,062)	5.0 (4.3)	0.74 (0.67)
Hunting Petrol.	Dec.	2,080 (—)	13.0 (—)	4.65 (—)
Leadenhall Strng.	Dec.	836 (644)	24.2 (18.4)	5.65 (4.12)
Maple & Co.	Feb.	1,030 (120)	3.1 (0.1)	0.78 (—)
Modern Esgrs.	Dec.	343 (252)	6.4 (5.0)	3.01 (2.7)
Nyson Group	Dec.	1,810 (128)	8.0 (1.4)	2.75 (1.0)
Northern Esgrs.	Dec.	30,404 (25,157)	29.5 (23.2)	7.7 (6.1)
Pearson Longman	Dec.	25,500 (21,398)	30.1 (24.9)	6.85 (5.99)
Pearson (S.)	Dec.	39,172 (33,275)	35.8 (30.6)	7.99 (6.81)
Ready Mtd. Conc.	Dec.	35,551 (29,300)	28.0 (22.3)	6.7 (5.77)
Reed Exce.	Dec.	1,810 (1,060)	24.1 (7.9)	5.61 (3.25)
Scottish Mortgage	Mar.	9,956 (4,305)	4.0 (3.2)	3.0 (3.3)
Senior Esgrs.	Dec.	6,090 (5,200)	9.2 (8.1)	1.5 (1.18)
Supra Group	Nov.	765 (607)	7.0 (5.1)	1.58 (0.85)
Wadkin	Dec.	2,050 (1,760)	34.5 (25.6)	6.47 (5.88)

## Rights Issue

Slough Estates: One £1.5 per cent convertible unsecured loan stock 1991-94 at par for four ordinary.

## Scrip Issues

Dewhurst (J. J.): One for three. Leadenhall Strng.: 12 for 10. Modern Esgrs.: One for five. Reed Exce.: Five for three.

## KODE

## 1978 pretax profits up 45%

Extracts from Chairman's statement for 1978.

\* Turnover rose 42% to £7.5m.

\* Pretax profits increased £385,763 to record £1.25m.

\* Earnings per share up 22% from 19.5p to 23.75p.

This is the seventh consecutive year in which turnover and profits have increased. During the same period Retained Earnings have increased from £74,000 to £1,760,000, excluding the increase in value of the Company's properties.

During the year the Group has attained its planned objectives in growth and investment. On the capital equipment side, additional investment has enhanced our range of high-technology products in the data entry and communications fields. The Board has also approved investment in the development of new products in the components division.

Opening orders for 1979 are increased by 25% over the corresponding position in 1978. It is the Board's intention to achieve expansion both organically and by seeking acquisitions in the U.K. and overseas.

Dennis Tudor  
Chairman

Copies of the report and accounts can be obtained by writing to the Company Secretary.

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FT 21/4/79

## CLIVE INVESTMENTS LIMITED

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.

Index Guide as at April 3, 1979 (Base 100 on 14.1.77)

Clive Fixed Interest Capital ..... 166.00

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

45 Cornhill, London, EC3V 3PB. Tel.: 01-453 6314.

Index Guide as at April 12, 1979

Capital Fixed Interest Portfolio ..... 115.10

Income Fixed Interest Portfolio ..... 104.90

CORAL INDEX: Close 543.548

## INSURANCE BASE RATES

† Property Growth ..... 11½%

† Vanbrugh Guaranteed ..... 10.12½%

† Address shown under Insurance and Property Bond Table.

Not applicable in Eire FT 21/4/79 PP

## Aurora braces itself for hard year—gearing much improved

THE INDICATIONS are that 1979 will be more difficult than last year, warns Mr. Robert Atkinson, the chairman of Aurora Holdings. Interest rates are high and the company is, therefore, paying special attention to positive cash flow, through control of working capital and the sale of unrequired assets.

The special steel industry faces a serious excess in world capacity which makes it difficult for the company's steel division to obtain a suitable volume of orders at adequate margins. Aggressive sales policies and cost control programmes have been adopted

and, given time, the directors believe they can solve the problem.

Meanwhile, the more established group companies with their diversified interests are providing a solid base of profits and financial strength on which to build, the chairman says.

Mr. Atkinson points out that the sale of Samuel Osborn (South Africa) in February, 1979, for £4.55m, improvement in working capital utilisation, and the sale of surplus assets, has considerably reduced the group's gearing

—down from 76 per cent to 54 per cent.

The financial position has also been strengthened by altering the balance of borrowing from overdraft to medium-term loan, thereby avoiding the full effect of the recent peak in interest rates.

At December 31 last bank overdrafts amounted to £4.7m (£3.64m) and medium term loans were up from 3.98m to £1.83m. Net liquid funds were £1.85m (£270,000) higher.

A professional revaluation of all UK properties produced a £1.64m surplus over book value which has been taken to reserves, and sales of unwanted land and buildings realised £1.18m—£0.15m over book value.

Group taxable profit climbed 72 per cent to £4.31m in 1978 on sales of £86.62m (£31.14m)—as reported April 10. Samuel Osborn and Company, acquired in June, contributed £1.36m profit and £24.15m to turnover.

The net dividend is stepped up from 4.29p to 5.89p.

On a current cost basis along the Hyde guidelines, profit is cut to £2.78m (£1.38m) by additional depreciation of £729,000 (£353,000), and extra cost of sales of £1.73m (£598,000) less a gearing adjustment of £937,000 (£598,000).

Of the total sale price for the South African concern, £3.2m has been received and the balance will be in hand by August 2.

## Lornex earning more and studying expansion

BY KENNETH MARSTON, MINING EDITOR

BECAUSE of the "much improved" outlook for both its copper and molybdenum the Rio Tinto-Zinc group's Canadian Lornex Mining is studying the possibilities of a major expansion.

It is stated that the ore-body could support an expansion of up to 50 per cent and still have a remaining mine life of over 20 years. The current study is expected to be completed during the year.

Meanwhile, Lornex reports first quarter net earnings of £38.49m (£3.57) compared with £32.8m in the first quarter of 1978 when the year's total amounted to £314.35m against £27.78m in 1977. Last November Lornex paid a first dividend of 20 cents and the company now declares a further payment of that amount.

An 88.1 per cent interest in Lornex is held by Rio Algom which, in turn, is 81 per cent owned by RTZ.

## ROUND-UP

South African gold production edged higher in March—its third successive monthly increase—according to the South African

Chamber of Mines. March output rose to 1,908,431 ozs compared with 1,845,590 ozs in February. The total for the past three months amounts to 5,586,212 ozs against 5,514,281 ozs in the same period of last year.

Black workers have returned to work after a two-day strike at the De Beers group's Consolidated Diamond Mines of S.W. Africa. The strike was caused by the discovery of a lidless, empty container for phosphine tablets in a bag of corn meal when it was emptied into a cooker at a workers' hostel.

Phosphine is a poisonous substance often used to disinfect stored grain.

Cominco lifts profits

FIRST-QUARTER profits of Canada's Cominco have increased more than fourfold to £388.3m (£16.1m) or £32.14 per share, from £39.5m a year ago, reports John Sogalish from Toronto.

Sales rose to £327m from £317m.

Lead, zinc and silver sales volume was up with "strong demand permitting full operation of all facilities." Price improvements, which started in latter half of 1978, continued during the first quarter. Fertiliser and potash sales "increased significantly," partly due to customers requesting earlier shipments.

Earnings from export sales were up on the weaker Canadian dollar.

Pine Point Mines also had sharply higher first-quarter earnings, at £312.5m against £31.6m. Sales revenue increased to £337.5m from £318.6m.

Vestron Mines in the same period had a profit of £347,000 or 20 cents per share, versus a loss of £81.4m. Sales were up to £38.5m from £32.8m.

Kaiser Resources attributes its first-quarter profit improvement primarily to increased coal shipments at higher prices and the addition of the Ashland Canada oil and gas activities to its earnings base.

Profit was £34.1m, or 52 cents per share, versus £31.8m. Revenue was up to £310.0m from £278.7m. Shipments of metallurgical coal amounted to 1.5m long tons.

Bank opens HQ at Shrewsbury

LORD LEVERHULME, president of the Wales and Border Counties Trustee Savings Bank, yesterday opened the bank's new head office at Albrighton Hall, an Elizabethan mansion near Shrewsbury.

The mansion formerly housed the Royal National College for the Blind. It was bought by the bank last year to replace its congested headquarters in Shrewsbury town centre.

rejects bid  
r assets

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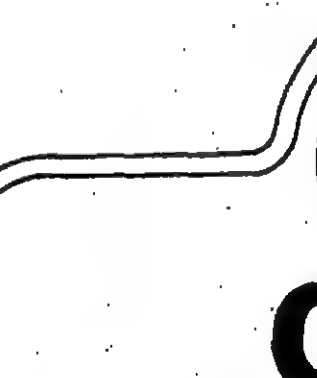
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# Cape Industries

## INCREASED PROFIT IN 1978

	Year ended 31st December	1978	1977
Turnover		£180.3m	£155.4m
Profit before taxation		£12.7m	£11.9m
Profit after taxation		£10.5m	£9.4m
Profit after extraordinary items		£10.0m	£6.2m
Earnings per ordinary share*		43.9p	39.1p
Dividends per ordinary share		9.2443p	8.2064p

\* before extraordinary items.

- \* Group pre-tax profit up 7.4% despite further reduction in the Mining Division.
- \* Earnings per share increased by 12%.
- \* Sixth consecutive year of growth in the Building and Insulation Division—profit up 57%.
- \* Maximum permitted increase in dividend.

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## Companies and Markets

## INTERNATIONAL COMPANIES and FINANCE

## Alcoa first quarter improves

By James Farth in Sydney

Alcoa of Australia, the integrated aluminium group, almost doubled profits in the first quarter of 1979 with earnings rising by 81 per cent, from A\$12.4m to A\$22.5m (U.S.\$25.0m).

Total sales for the period rose 40 per cent from A\$100m to A\$140m (U.S.\$155m), with 80.5 per cent of the revenue derived from export sales. Total export sales of the group were A\$113m, compared with A\$79m in the first quarter of 1978.

The directors cautioned that the results were not necessarily an indication of the likely outcome for the full year. The improvement reflected substantially higher shipments of both alumina and aluminium, following improved worldwide demand for alumina and the higher domestic and export demand for aluminium products.

Price increases for alumina and a number of aluminium products also lifted revenues. The Alcoa result follows hard on the announcement of a major round of aluminium developments in Australia.

Last Thursday Alcoa Inc. owned by Amal of the U.S., Mitsui and Nippon Steel, revealed plans to build a A\$500m, 180,000 tonnes a year aluminium smelter in New South Wales. The Canadian group Alcan also announced that it would spend A\$40m to lift its aluminium output by 25,000 tonnes to 90,000 tonnes a year.

Alcoa recently announced plans for a A\$350m, 120,000 tonnes a year smelter, and is in the midst of an A\$35m expansion of its existing smelter to lift output.

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## Italy agrees chemical rescue plans

BY PAUL BETTS IN ROME

THE ITALIAN Government has given the go-ahead for the formation of a consortium to take control and formulate rescue programmes for two of Italy's major chemical groups, Societa Italiana Resine (SIR) and Liquechimica, both of which are on the verge of financial collapse.

The decision, coming after months of bitter controversy, will see an increase in the involvement of the public sector in the country's troubled chemical industry. Both SIR and Liquechimica are crippled by accumulated losses and debts.

Agreements for the creation of the two banks, which are to be finalised next month, were reached after a hectic round of meetings between the Treasury and Industry Ministers, the monetary authorities and the credit institutes who have lent money to the two chemical groups.

The decision to go ahead with the salvage of SIR and Liquechimica indicates the general desire of the banks to avoid the appointment of a special commissioner by the Industry Minister to take control of the troubled groups.

Legislation was recently approved enabling the Industry Minister to appoint a special commissioner if no other rescue plans were put forward. The special commissioner would have clearly threatened the interests of the banks, by taking the matter out of the control of the banking system at large.

In the case of Liquechimica, the salvage consortium will include the participation of the state hydrocarbon agency, Ente Nazionale Idrocarburi (ENI), which is to take control of the industrial management of the chemical group. ENI, whose subsidiary, NNAM, is owed some 1,400m by Liquechimica, has also agreed to take

over four of the main Liquechimica plants of Augusta, Saline, Robassano and Icir in the next five years.

The participation of ENI in the Liquechimica consortium represents a setback for the ambitions of Borsari, the Roman financial company which was hoping to take over some of the Liquechimica plant, in particular the Sicilian complex of Augusta. Borsari is exposed for some 1,000m of Liquechimica debt.

The Liquechimica consortium is expected to have an initial capital of 1,350m. This will be largely made up by the creditor banks, whose quota will equal 50 per cent of their outstanding credits with the group. The banks have also agreed to a moratorium on all outstanding debts. A convertible loan of about 1,000m is expected to be negotiated at some later date.

The rescue plan for SIR in-

volves a preliminary agreement between the Government and the banks for the creation of a consortium led by Istituto Mobiliare Italiano (IMI), the country's largest medium-term credit institute. IMI is SIR's biggest creditor and is owed some 1,070m.

Final details of the SIR consortium, which on current plans expects to be involved in fresh funding of some 1,400m, should be finalised by the end of the month, although a number of the commercial banks involved have reservations about the proposals.

The proposed salvage of SIR has been the beginning of a specially complex rescue operation in view of the controversial judicial inquiries over allegedly irregular loans granted to it by the Bank of Italy. The inquiry has now reached a climax following charges against the central bank governor and joint deputy director-general.

## Haw Par in bid for Setron

SINGAPORE—Haw Par Brothers International has reached agreement to acquire about 35.8 per cent of Setron, the electronics concern, and will make an unconditional offer to shareholders for the remainder. His offer values Setron at some S\$43m (almost U.S.\$20m).

Haw Par said that it agreed with several Setron shareholders to acquire their interests in Setron on the basis of one Haw Par share and 80 cents cash for each Setron share purchased. The cash value of the Haw Par shares issued under the arrangement would be underwritten at the value of S\$1.60 a share, making the total cash value of the offer S\$2.40 per Setron share.

Haw Par said that it currently owns 43,750 shares of Setron and that its agreement with shareholders covers a further 6.4m of the total 17.85m issued shares.

The offer for Setron, if accepted in full, would raise Haw Par's issued share capital to S\$125.75 in from S\$107.87m. Haw Par was last quoted on the Singapore Stock Exchange, before suspension on Thursday, at S\$1.70, and Setron at S\$2.35.

## Profits rise at Northern Telecom

By Robert Gibbons in Montreal

NORTHERN TELECOM, the largest telecommunications equipment manufacturer in Canada—which also has a large U.S. operation—earned C\$25m (US\$31.0m), or 84 cents a share, in the first quarter, against C\$18.9m, or 64 cents, a year earlier, excluding special items. Sales were C\$421m, against C\$385m.

Three U.S. subsidiaries acquired last year contributed C\$83m to consolidated sales. The order backlog at March 31 was C\$748m, compared with C\$405 a year earlier.

The company is to build a plant to produce large-scale integrated circuits in Ottawa, and also another LSI plant in the U.S.

Sales and orders for large DMS-100 through DMS-900 systems total 50 against 32 in the end of 1978.

## Sharp upturn at BankAmerica

BY OUR FINANCIAL STAFF

THE LARGEST bank in the U.S., Bank of America, yesterday announced that net earnings increased by 26 per cent to \$129.2m in the first quarter of this year, in line with its major competitors.

Last week brought the news of an 18 per cent increase in first quarter earnings at Citicorp, the second largest U.S. bank, and of 78 per cent at Chase Manhattan.

Both net income before securities transactions and also net income per share (33 cents a share) showed gains of 25 per cent.

The president, Mr. A. W. Clausen credited most of the earnings gain to increased growth in earnings assets as well as to improvement in the net interest margin.

Another contributing factor was the decrease in effective tax rate resulting from the change in Federal income tax rate.

## Improved earnings from German private banks

BY OUR FINANCIAL STAFF

SAL OPPENHEIM UND CIE, the privately-owned Cologne bank, expects a rather less successful year in 1979 after what it described as a "good result" in 1978.

The bank's exchange and industrial lending business increased briskly last year, and the bank foresees a continuation of this trend, though with a general drying up of bank liquidity. It also expects a quieter year in foreign exchange markets and a weaker tendency in foreign business.

Another West German private bank, B. Metzler & Sohn, and Co. of Frankfurt, reported a "substantial" increase in earnings last year on a broad front. Like Sal. Oppenheim, however, it did not disclose

their size.

The Cologne bank's business volume rose by 4.9 per cent to DM 3.15bn (S1.66bn); its balance sheet total was 5.7 per cent higher at DM 2.8bn, and the group, including major consolidated interests, rose by 8.4 per cent to DM 8.5bn.

Total assets of Metzler rose by only 2.5 per cent to DM 6.02m. But the partners of this conservatively-run bank said there was little point in pushing up the balance sheet total when margins are so tight.

Bankhaus Metzler's performance has again been the mirror image of the average for the German banking industry. Most banks have reported large increases in balance sheet totals but much slower profits growth.

I.G. Index Limited J1-351 3486. Three month Nickel est. 2790-2830 29 Laminol Road, London, SW10 0HS.

1. Free trade on commodity futures.  
2. The commodity futures market for the smaller investor.

## Manufrance talks enter new phase

By Terry Dods in Paris

TALKS ON the future of Manufrance, the near-bankrupt French retailing and manufacturing group, enter a new phase this weekend with threats of closure imminent following the retreat of M. Maurice Biderman, the textile magnate, as a possible saviour.

The commercial court in Lyon, which has put receivers in charge of the group, now depends on whether it can put together finance from other sources to encourage the State to help as well.

So far, it is known that MAC IF, an assurance company, and Dargaud, a publishing group, are interested in Manufrance.

INVESTING IN METALS? THE LONDON METAL EXCHANGE SAYS BOR GIBSON-JARVIS explains the intricacies of investing in metals on the LME. For your copy of this successful book send 50p (inc. p. and p. v.) to: WOODHEAD-FALKNER, 8 Market Passage, Cambridge, Phone (0223) 96732.

## Graenges forecasts upswing

BY VICTOR KAYETZ IN STOCKHOLM

GRAENGES, the Swedish metals and engineering group, expects earnings of its three largest companies, making aluminium, semi-finished copper products and special steels respectively, to improve during 1979.

As a result the company expects to return to profits this year having lost SKr 81m (S18.75m) at the pre-tax level in 1978 despite a combined SKr 35m contribution from the three companies.

Graenges Aluminium, which last year recorded pre-tax earnings of SKr 25m on external deliveries of SKr 1.4bn, noted a

recovery in the second half of 1978 which partly compensated for poor earnings on finished products during the first half. Rationalisation and a general market upswing are expected to result in improved earnings during 1979.

Graenges Metallverken, whose specialty is semi-finished copper and copper alloy plates and strips, expects better earnings in 1979 than last year's SKr 38m on sales of SKr 1.1bn. Foreign deliveries, especially to Western Europe and the U.S., continued to grow and made up 40 per cent of 1978 deliveries.

The Graenges Nyby, which

makes stainless and other special steels, believes that efficiency measures will reach full effect next autumn, resulting in improved 1979 and 1980 earnings. The company recorded a 1978 loss of SKr 28m on turnover of SKr 697m, including SKr 48m from the "conditional loan" of SKr 140m granted last year for investments and restructuring by the Swedish State. Nyby will begin production of seamless pipe in early 1980.

The group predicted continued losses at its Swedish steel construction company, Graenges Rodlund.

## Gain at Zurich Insurance

BY BRIJ KHANDARIA IN GENEVA

THE Zurich Insurance company reported a net profit of SWFr 55.68m (S32.58m) for the 1978 financial year, compared to SWFr 48.73m the previous year, and said that the insurance business has improved in overall terms.

Because of the Swiss franc's appreciation, gross earnings from premiums rose by only 0.2 per cent to SWFr 3,607m, compared with 1977, but the increase was 14 per cent in local currency terms.

The company will pay an unchanged dividend of SWFr

220 per share, and SWFr 11 for each participation coupon carrying a right to dividend as of July 1, 1979. To increase its capital base by SWFr 16m to SWFr 20m, Zurich is offering 200,000 new participation coupons, as of July 1, 1979, at a nominal value of SWFr 50. The emission price will be SWFr 500 per coupon. Of these coupons 181,040 will be offered for preferential subscription.

SWFr 5.95m will be carried forward to next year's accounts, after setting aside SWFr 17m for special reserves.

## Ontario SE rules against Edper

The Ontario Securities Commission has rejected the proposed offer by Edper Equities for 11.7m Brascan shares which is conditional on the failure of Woolworth Company, AP-DJ reports from Toronto.

Previously Edper said it would proceed with a S28 a share offer if the Commission approved an application for the "Woolworth Condition".

Edper described itself as "disappointed" by the Commission ruling. Edper has no specific plans to proceed further with an offer.

COMMODITIES/Review of the week  
Sharp rally in cocoa market

BY OUR COMMODITIES STAFF

LONDON COCOA futures prices turned sharply higher this week. After slipping to a new 14-month low of \$1,332.5 a tonne on Tuesday the July position rallied strongly and following a 552 rise yesterday ended the week 555 up on balance at \$1,610.5 a tonne.

The rally started when it was reported that West German cocoa bean stocks had fallen by only 5.5 per cent below that for the corresponding period in 1978. Most traders had forecast a decline of up to 10 per cent and some had even expected a fall of 15 per cent.

Prices immediately began to move higher and the upward trend gradually strengthened. At the same time dealers said yesterday's advance, which incorporated a 540 permissible limit rise, was mainly due to reports that not too was affecting the Brazilian tempo crop.

Some traders said the rally was partly due to a reaction against an overdone decline. But many thought the basic "bear" trend was still intact and did not rule out a fall below \$1,500 a tonne in the near future.

The price also ended the week higher. The July quotation gained \$21 to \$1,528.5 a

tonne, the highest level for six months.

The rise was encouraged by export price increases announced by Brazil and Colombia—the world's two biggest producers. Brazil has raised its minimum export price and export taxes while Colombia has increased the "confisco," the amount exporters have to deposit with the Central Bank against coffee exports.

Dealers said the rises are not expected significantly to increase importing costs. But they added that the news was being taken as confirmation that Brazil and the Central Americans had agreed to harmonise their export prices as part of a concerted attempt to boost their returns.

Speculative selling, originating in New York, brought a sharp downturn in the copper market this week. Cash wirebaskets closed last night \$49.75 lower on the week at \$284.5 a tonne. The market fell heavily when trading resumed after the Easter holiday reflecting a decline in New York. Once the decline started it was accelerated by stop-loss sales and general profit-taking by speculators.

Traders were at a loss to account for the sudden change

in sentiment. It is thought there is growing uncertainty about demand prospects for copper in view of fears about an industrial recession developing in the U.S.

However, warehouse stocks are continuing to decline, albeit at a slower rate. A significant feature is that a shortage of supplies available to the market has pushed the cash price of cathodes to a premium above the three-month quotation and into the unusual position of being more expensive than wirebaskets.

A "squeeze" on nearby supplies was also the most significant influence in the tin market. The standard grade cash price jumped by \$340 to \$7,470 a tonne, \$305 above the three-month quotation which was \$7,165 on the week at \$7,165.

The Penang market was virtually unchanged suggesting that the main supply problem is in London, although LME warehouse stocks are currently rising.

An unexpected rise in warehouse stocks of lead, where a decline had been predicted, caused a downturn in lead prices. The cash price lost \$39 during the week, despite some rumours of renewed buying interest from the Soviet Union.

## BASE METALS

COPPER—Lower again on the London Metal Exchange as the overnight weakness on Comex prompted selling on the early pre-market which depressed forward metal to the day's low of \$284.5 before rising to close at \$285.25. Substantial support developed at this level and the price rallied thereafter to touch the day's high of \$294.5 before closing at \$294.5 on Comex. The price here close the late bids at \$285.25. Turnover: 29,350 tonnes.

Wirebaskets: 1984.75-20 1984.5-18 3 months: 1984.75-20 1984.5-18 6 months: 1984.75-20 1984.5-18 9 months: 1984.75-20 1984.5-18 12 months: 1984.75-20 1984.5-18

Amalgamated Metal Trading reported that in the morning cash wirebaskets closed at \$284.5, down from \$285.25. Cathodes, cash 1984, three months: 1984.75-20, 1984.5-18, 6 months: 1984.75-20, 1984.5-18, 9 months: 1984.75-20, 1984.5-18, 12 months: 1984.75-20, 1984.5-18.

Aluminium: Wirebaskets, three months: 1984.75-20, 1984.5-18, 6 months: 1984.75-20, 1984.5-18, 9 months: 1984.75-20, 1984.5-18, 12 months: 1984.75-20, 1984.5-18.

Lead: Wirebaskets, three months: 1984.75-20, 1984.5-18, 6 months: 1984.75-20, 1984.5-18, 9 months: 1984.75-20, 1984.5-18, 12 months: 1984.75-20, 1984.5-18.

Tin: Wirebaskets, three months: 1984.75-20, 1984.5-18, 6 months: 1984.75-20, 1984.5-18, 9 months: 1984.75-20, 1984.5-18, 12 months: 1984.75-20, 1984.5-18.

112.00, transshipment East Coast. South African White unquoted. South African Yellow May 77.00 net. Barley: English feed lots May 101.25, June 102.50, Dec. 92.50, Jan-March 97.00, East Coast.

On silver: Silver was fixed 67p an ounce lower for spot delivery in the London bullion market yesterday. The price of silver on the London market fell 12p to 67p. The price of silver on the New York market fell 12p to 67p.

On gold: Gold was fixed 375p an ounce lower for spot delivery in the London bullion market yesterday. The price of gold on the London market fell 12p to 375p. The price of gold on the New York market fell 12p to 375p.

On oil: Oil was fixed 12p a barrel lower for spot delivery in the London bullion market yesterday. The price of oil on the London market fell 12p to 12p. The price of oil on the New York market fell 12p to 12p.

On wheat: Wheat was fixed 12p a bushel lower for spot delivery in the London bullion market yesterday. The price of wheat on the London market fell 12p to 12p. The price of wheat on the New York market fell 12p to 12p.

On corn: Corn was fixed 12p a bushel lower for spot delivery in the London bullion market yesterday. The price of corn on the London market fell 12p to 12p. The price of corn on the New York market fell 12p to 12p.

On soybeans: Soybeans were fixed 12p a bushel lower for spot delivery in the London bullion market yesterday. The price of soybeans on the London market fell 12p to 12p. The price of soybeans on the New York market fell 12p to 12p.

On cotton: Cotton was fixed 12p a pound lower for spot delivery in the London bullion market yesterday. The price of cotton on the London market fell 12p to 12p. The price of cotton on the New York market fell 12p to 12p.

On rubber: Rubber was fixed 12p a pound lower for spot delivery in the London bullion market yesterday. The price of rubber on the London market fell 12p to 12p. The price of rubber on the New York market fell 12p to 12p.

On sugar: Sugar was fixed 12p a pound lower for spot delivery in the London bullion market yesterday. The price of sugar on the London market fell 12p to 12p. The price of sugar on the New York market fell 12p to 12p.

On coffee: Coffee was fixed 12p a pound lower for spot delivery in the London bullion market yesterday. The price of coffee on the London market fell 12p to 12p. The price of coffee on the New York market fell 12p to 12p.

On tea: Tea was fixed 12p a pound lower for spot delivery in the London bullion market yesterday. The price of tea on the London market fell 12p to 12p. The price of tea on the New York market fell 12p to 12p.

## AMERICAN MARKETS

Cocoa—NEW YORK, April 19. Cocoa—May 138.00 (138.00), July 140.00 (140.00), Sept. 142.00 (142.00), Nov. 144.00 (144.00), Jan. 146.00 (146.00), March 148.00 (148.00), May 150.00 (150.00), July 152.00 (152.00), Sept. 154.00 (154.00), Nov. 156.00 (156.00), Jan. 158.00 (158.00), March 160.00 (160.00), May 162.00 (162.00), July 164.00 (164.00), Sept. 166.00 (166.00), Nov. 168.00 (168.00), Jan. 170.00 (170.00), March 172.00 (172.00), May 174.00 (174.00), July 176.00 (176.00), Sept. 178.00 (178.00), Nov. 180.00 (180.00), Jan. 182.00 (182.00), March 184.00 (184.00), May 186.00 (186.00), July 188.00 (188.00), Sept. 190.00 (190.00), Nov. 192.00 (192.00), Jan. 194.00 (194.00), March 196.00 (196.00), May 198.00 (198.00), July 200.00 (200.00), Sept. 202.00 (202.00), Nov. 204.00 (204.00), Jan. 206.00 (206.00), March 208.00 (208.00), May 210.00 (210.00), July 212.00 (212.00), Sept. 214.00 (214.00), Nov. 216.00 (216.00), Jan. 218.00 (218.00), March 220.00 (220.00), May 222.00 (222.00), July 224.00 (224.00), Sept. 226.00 (226.00), Nov. 228.00 (228.00), Jan. 230.00 (230.00), March 232.00 (232.00), May 234.00 (234.00), July 236.00 (236.00), Sept. 238.00 (238.00), Nov. 240.00 (240.00), Jan. 242.00 (242.00), March 244.00 (244.00), May 246.00 (246.00), July 248.00 (248.00), Sept. 250.00 (250.00), Nov. 252.00 (252.00), Jan. 254.00 (254.00), March 256.00 (256.00), May 258.00 (258.00), July 260.00 (260.00), Sept. 262.00 (262.00), Nov. 264.00 (264.00), Jan. 266.00 (266.00), March 268.00 (268.00), May 270.00 (270.00), July 272.00 (272.00), Sept. 274.00 (274.00), Nov. 276.00 (276.00), Jan. 278.00 (278.00), March 280.00 (280.00), May 282.00 (282.00), July 284.00 (284.00), Sept. 286.00 (286.00), Nov. 288.00 (288.00), Jan. 290.00 (290.00), March 292.00 (292.00), May 294.00 (294.00), July 296.00 (296.00), Sept. 298.00 (298.00), Nov. 300.00 (300.00), Jan. 302.00 (302.00), March 304.00 (304.00), May 306.00 (306.00), July 308.00 (308.00), Sept. 310.00 (310.00), Nov. 312.00 (312.00), Jan. 314.00 (314.00), March 316.00 (316.00), May 318.00 (318.00), July 320.00 (320.00), Sept. 322.00 (322.00), Nov. 324.00 (324.00), Jan. 326.00 (326.00), March 328.00 (328.00), May 330.00 (330.00), July 332.00 (332.00), Sept. 334.00 (334.00), Nov. 336.00 (336.00), Jan. 338.00 (338.00), March 340.00 (340.00), May 342.00 (342.00), July 344.00 (344.00), Sept. 346.00 (346.00), Nov. 348.00 (348.00), Jan. 350.00 (350.00), March 352.00 (352.00), May 354.00 (354.00), July 356.00 (356.00), Sept. 358.00 (358.00), Nov. 360.00 (360.00), Jan. 362.00 (362.00), March 364.00 (364.00), May 366.00 (366.00), July 368.00 (368.00), Sept. 370.00 (370.00), Nov. 372.00 (372.00), Jan. 374.00 (374.00), March 376.00 (376.00), May 378.00 (378.00), July 380.00 (380.00), Sept. 382.00 (382.00), Nov. 384.00 (384.00), Jan. 386.00 (386.00), March 388.00 (388.00), May 390.00 (390.00), July 392.00 (392.00), Sept. 394.00 (394.00), Nov. 396.00 (396.00), Jan. 398.00 (398.00), March 400.00 (400.00), May 402.00 (402.00), July 404.00 (404.00), Sept. 406.00 (406.00), Nov. 408.00 (408.00), Jan. 410.00 (410.00), March 412.00 (412.00), May 414.00 (414.00), July 416.00 (416.00), Sept. 418.00 (418.00), Nov. 420.00 (420.00), Jan. 422.00 (422.00), March 424.00 (424.00), May 426.00 (426.00), July 428.00 (428.00), Sept. 430.00 (430.00), Nov. 432.00 (432.00), Jan. 434.00 (434.00), March 436.00 (436.00), May 438.00 (438.00), July 440.00 (440.00), Sept. 442.00 (442.00), Nov. 444.00 (444.00), Jan. 446.00 (446.00), March 448.00 (448.00), May 450.00 (450.00), July 452.00 (452.00), Sept. 454.00 (454.00), Nov. 456.00 (456.00), Jan. 458.00 (458.00), March 460.00 (460.00), May 462.00 (462.00), July 464.00 (464.00), Sept. 466.00 (466.00), Nov. 468.00 (468.00), Jan. 470.00 (470.00), March 472.00 (472.00), May 474.00 (474.00), July 476.00 (476.00), Sept. 478.00 (478.00), Nov. 480.00 (480.00), Jan. 482.00 (482.00), March 484.00 (484.00), May 486.00







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## EXCHANGES AND BULLION

The dollar made useful gains against major currencies in yesterday's foreign exchange market, while sterling remained steady. The U.S. currency met with a fairly good demand on hopes of a steady rise in the dollar's value. Although finishing slightly below its best level for the day, it improved to SWEF 1.7235 from SWEF 1.7140 against the Swiss franc and ¥218.30 from ¥218.20 in terms of the Japanese yen.

The Deutscher mark showed a weaker tendency against the dollar after a sharper than expected rise in the German Wholesale Price Index for March. The dollar rose to DM1.9025 compared with DM1.8900 on Thursday. On Bank of England figures, its dollar-weighted index rose 2.0770 and briefly touched \$2.0785 before easing to \$2.0760 by noon. Further demand for the dollar in the U.S. saw the rate decline to \$2.0640, but by the close, the pound had recovered a little to \$2.0670-2.0680, a loss of 1.05¢. Sterling's overall performance was generally steady and this was reflected in its trade-weighted index, which eased only slightly, to 87.0 from 87.1. The yen, however, stood at 87.0 a noon and 87.1 at the morning close.

Gold lost 84¢ an ounce to close at \$334.83-\$336. This represented a sixth over the week of just \$2.50, but a 10.5% premium over its gold content worked out to 9.5% per cent from 8.83 per cent for domestic delivery and 8.28 per

		Day's spread		Close		One month		Three months	
April 26									
U.S.	2,084.0-2,078.0		2,067.0-2,080.0		0.32-0.32 pm		1.87	0.82-7.75 pm	1.4
Canada	2,084.0-2,078.0		2,067.0-2,080.0		0.32-0.32 pm		1.87	0.82-7.75 pm	1.4
U.K.	4.24-4.27		4.25-4.28		21-1/2 pm		5.83	61-1/4 pm	4.6
Nethld.	82.26-82.66		82.25-82.46		20-20 pm		6.81	70-80 pm	4.6
Denmark	10.94-10.96		10.92-10.94		18-18 pm		1.87	0.82-7.75 pm	1.4
France	2,084.0-2,078.0		2,067.0-2,080.0		0.32-0.32 pm		1.87	0.82-7.75 pm	1.4
W. Ger.	3.82-3.86		3.80-3.84		3-20 pm		7.82	84-100 pm	5.4
Italy	1,030.0-1,017.0		1,017.0-1,031.0		8-10 pm		1.87	0.82-7.75 pm	1.4
Spain	1,151.0-1,162.0		1,142.0-1,161.0		1-10 pm		6.81	70-80 pm	4.6
Switzerland	1,757.0-1,782.0		1,748.0-1,780.0		1-10 pm		6.81	70-80 pm	4.6
Sweden	10.05-10.09		10.07-10.08		21-1/2 pm		5.83	61-1/4 pm	4.6
Japan	448-455		448-455		21-1/2 pm		5.83	61-1/4 pm	4.6
Australia	20.78-20.98		20.88-20.88		3-20 pm		6.81	70-80 pm	4.6
South Africa	3.55-3.58		3.56-3.57		3-20 pm		6.81	70-80 pm	4.6

[illegible]

## EXCHANGES AND BULLION

The dollar made useful gains against major currencies in yesterday's foreign exchange market, while sterling remained steady.

The U.S. currency met with a fairly good demand on hopes of a rise in the U.S. interest rate. Although finishing slightly below its best level for the day, it improved to SWF 1.7225 from SWF 1.7140 against the Swiss franc and Y218.30 from Y218.30 in the Japanese yen.

The D-mark also showed a weaker tendency against the dollar after a sharper than expected rise in the German Wholesale Price Index for June.

Against the pound sterling, the dollar rose to DM1.9025 compared with DM1.8920 on Thursday. On Bank of England figures, its trade-weighted index rose from 84.8 to 86.1.

Sterling opened at \$2.0760-2.0770 and briefly touched \$2.0785 before easing to \$2.0760 by noon.

Further demand for the dollar in the U.S. saw the rate decline to \$2.0640, but by the close, the pound had recovered a little to \$2.0680, a loss of 1.05¢.

Sterling's overall performance was generally steady and this was reflected in its trade-weighted index, which ended only slightly down from 87.0 to 86.9, having stood at 87.0 at noon and 87.1 at the morning calculation.

Gold rose 84 1/2 an ounce to close at \$334 1/2-\$336 1/2. This represented an advance of 10¢ from last week.

The Krugersand's premium over its gold content narrowed to 0.5¢ per cent from 0.8¢ per cent for domestic delivery and 2.3¢ per cent from 3.5¢ per cent in the international market.

## OTHER MARKETS

		Day's spread		Close		One month		Three months	
April 26									
U.S.	2,084.0-2,078.0		2,067.0-2,080.0		0.32-0.32 pm		1.87	0.82-7.75 pm	1.4
Canada	2,084.0-2,078.0		2,067.0-2,080.0		0.32-0.32 pm		1.87	0.82-7.75 pm	1.4
U.K.	4.24-4.27		4.25-4.28		21-1/2 pm		5.83	61-1/4 pm	4.6
Nethld.	82.26-82.66		82.25-82.46		20-20 pm		6.81	70-80 pm	4.6
Denmark	10.94-10.96		10.92-10.94		18-18 pm		1.87	0.82-7.75 pm	1.4
France	2,084.0-2,078.0		2,067.0-2,080.0		0.32-0.32 pm		1.87	0.82-7.75 pm	1.4
W. Ger.	3.82-3.86		3.80-3.84		3-20 pm		7.82	84-100 pm	5.4
Italy	1,030.0-1,017.0		1,017.0-1,031.0		8-10 pm		1.87	0.82-7.75 pm	1.4
Spain	1,151.0-1,162.0		1,142.0-1,161.0		1-10 pm		6.81	70-80 pm	4.6
Switzerland	1,757.0-1,782.0		1,748.0-1,780.0		1-10 pm		6.81	70-80 pm	4.6
Sweden	10.05-10.09		10.07-10.08		21-1/2 pm		5.83	61-1/4 pm	4.6
Japan	448-455		448-455		21-1/2 pm		5.83	61-1/4 pm	4.6
Australia	20.78-20.90		20.78-20.90		21-1/2 pm		5.83	61-1/4 pm	4.6
South Africa	3.58-3.58		3.56-3.57		3-20 pm		10.84	10-8 pm	10.6

[illegible]

Percent; two-month 114-114 $\frac{1}{2}$ per cent; three-	New	11317 $\frac{1}{2}$ -114 $\frac{1}{2}$	12118-1201 $\frac{1}{2}$
month 114 per cent; two-month 114-114 $\frac{1}{2}$	Over	12013-12011	12114-1201 $\frac{1}{2}$
Average tender rates of discount 11,4425 per	Coverall	1229-1201 $\frac{1}{2}$	1203-121
	Over	1213-121 $\frac{1}{2}$	1211-121 $\frac{1}{2}$
	Sovereigns	1313-131 $\frac{1}{2}$	1216-131 $\frac{1}{2}$
lation) +33 Bank Rate from April 1, 1979. Clearing	£20 England	1350-1356	1349-1354
Clearing Bank Rates for lending 12 per cent,	£10 England	1317-1318	1317-1318
	£5 England	1217-125	1217-125

	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian \$	Japanese Yen
1-1-74	5-5 1/2	7 1/4-7 5/8	7-10	—	5-5 1/2	—
1-1-74	5-5 1/2	7 1/4-7 5/8	10 1/2-11 1/2	10 1/2-10 3/4	5 1/2-5 3/4	—
1-1-74	5-5 1/2	7 1/4-7 5/8	7 1/4-7 5/8	10 1/2-10 3/4	5 1/2-5 3/4	—
1-1-74	5-5 1/2	7 1/4-7 5/8	1 1/2-1 1/2	10 1/2-10 3/4	5 1/2-5 3/4	—
1-1-74	5-5 1/2	7 1/4-7 5/8	1 1/2-1 1/2	10 1/2-10 3/4	5 1/2-5 3/4	—
1-1-74	5-5 1/2	7 1/4-7 5/8	1 1/2-1 1/2	10 1/2-10 3/4	5 1/2-5 3/4	—
1-1-74	5-5 1/2	7 1/4-7 5/8	1 1/2-1 1/2	10 1/2-10 3/4	5 1/2-5 3/4	—

Conversion- dates	Flat yield	Red. yield	Premium†		Income			Cheap(+ Dear(-))
			Current	Range‡	Equ.‡	Conv.‡	Diff.‡	Current
76-80	8.2	6.4	- 5.6	-10 to 1	10.9	9.0	- 1.5	+ 4.1

76-87	4.5	2.6	4.9	-10 to 15	0.0	89.2	35.5	+30.6
76-80	4.8	3.9	-0.2	-6 to 2	11.7	6.3	-3.9	-3.7
76-94	12.3	12.3	15.4	4 to 47	27.1	47.0	22.3	+6.8
76-80	7.0	7.3	-3.1	-10 to 0	6.2	3.1	-3.2	-0.1
76-87	4.7		1.5	2 to 11	35.5	52.9	8.2	+6.6
75-80	4.0	2.5	-5.2	-7 to 2	8.9	6.9	-1.6	+3.7
74-79	8.9	12.6	9.3	8 to 35	5.2	0.0	-6.3	-14.6
76-82	6.5	3.0	0.3	-2 to 13	0.0	26.5	16.4	+16.1
76-83	11.1	11.3	27.0	21 to 38	26.7	35.5	11.9	-15.1







## OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

## NOTES

Prices do not include \$ premium, except where indicated \$, and are in pence unless otherwise noted. % shown in last column allow for all buying expenses. # Offered prices include: 1. Today's price, c. Yield based on offer price. # Estimated. # Today's morning price. # Disc. % off stock. # Periodic premium insurance plans. # Simple premium insurance. # Offered price excludes agent's commission. % Offered price includes all expenses. If bought through previous day's price. % Net of lds on realized capital gains unless indicated by #. % Suspended. # Yield before Jersey tax. # Ex-subdivision. \*\* Only available to charitable











MAN OF THE WEEK

One school of thought

BY MICHAEL DIXON

"MILITANCY is like Marmite," said Terry Casey as teachers prepared for sporadic strikes a while ago. "A little of it can be spread a long way."

That is only one of many "quotable" quotes produced from the side of the mouth of the general secretary of the National Association of Schoolmasters and Union of Women Teachers during 17 years as a union leader. But he is probably repeating it to himself today.



Terry Casey  
Not one to avoid the limelight

unions' Easter conferences, read: "National Association of Schoolmasters-Union of Women Teachers threatened industrial action after talks failed to solve pay dispute."

The fact that the NAS-UTW's name thus came first will please another side of the Casey character—the side which revels in stealing a march on his larger rival, the 258,000-member National Union of Teachers. And the latest coup will please him especially because his instant threat of action, since defined as a strict five-hour day, meant that even though the NUT began its Easter conference first, all it could do was to follow its smaller rival's proclamation of impending truce.

Moreover, the threat of the NAS-UTW's five-hour day from May 8 to national examinations, as well as school lessons, gives a lame look to the NUT's proposal that from Thursday its members should refuse to supervise lunch-breaks and after-school activities, and to use their cars for the purposes of work.

To be honest, however, Mr. Casey's ability to get the fastest with the latest is not altogether of his own making. Mr. Fred Jarvis, general secretary of the NUT, has to contend with a bigger executive council and a wider mix of members, including active factions of committed Left-wingers. To survive in office, Mr. Jarvis needs must play the politically aware entrepreneur instead of an entrepreneurial leader in the Casey mould.

But what will please Terry Casey most of all is that this week's fuss is almost sure to gain the outcome which the NAS-UTW wants, and which it could not obtain through normal pay negotiations, because of the NUT's absolute majority on the unions' panel of the Burnham Committee.

The larger union has hitherto been negotiating on the basis of the education authorities' offer of 9 per cent backdated to April 1 plus reference of the unions' panel's 36.5 per cent claim to the Pay Comparability Commission. But the NUT is now insisting on improvements to the offer which the authorities can hardly make in advance of the general and local council elections.

Queen's Award for small companies

BY PATRICIA NEWBY

COMPANIES employing less than 200 people received 40 per cent of the Queen's Awards for export achievement and nearly a third of the awards for technological achievement.

A total of 121 awards was made, three less than last year. Nineteen were for technological achievement and 102 for export performance.

The number of applications for this year's awards was 1,640, compared with the record 1,860 in 1978 and 1,809 in 1977. In both the previous years interest in the scheme is thought to have been stimulated by the Queen's Silver Jubilee. Applications for the 1978 awards had to be submitted in 1977.

The recipients of export achievement awards represented a wide spread of industrial and commercial

activity, size of company and region.

Products and services ranged from heavy engineering—Berlin and Partners, British Smelter Constructors, Copper-Nell, Davy International, Bernard Sunley and Sons—to theatrical costumiers—Bermans and Nathans—flowers and bulbs, including sales to Holland—Lindgarden—medical and dental atlases—Wolfe Medical Publications—and Scottish game-basters.

The awards are for "a substantial and sustained increase in export earnings to a level which is outstanding for the products or services concerned and for the size of the applicant unit's operations."

Recognition was given to clothing manufacturers—Aquascutum; Burberrys; Dawson International, makers

of Pringle and Braemar knitwear; Williams Hollins, Viyella and Clydella; Kinloch Anderson, tartans and tweeds; Mothercare; Mulberry fashion accessories; and Alan Paine, knitwear.

A number of U.S.-owned subsidiaries, including Badger, Borg-Warner, Caterpillar and Cummins, won export achievement awards.

An unusual feature of the technological achievement section was a joint award to a university, military establishment and private industry. BDH Chemicals, the Solid State Physics and Devices Division of the Royal Signals and Radar Establishment, and the Department of Chemistry at the University of Hull shared an award for work on research and production of biphenyl liquid crystals, now taking an estimated 50 per cent share of world markets.

They are used in watches and pocket calculators.

Another division of the Royal Signals and Radar Establishment, the Electronic Materials Division, won an award.

Technological awards are for "a significant advance, leading to increased efficiency, in the application of technology to the production or development process in the British industry or the production for sale of goods which incorporate new technologies."

Many technological awards were for development of chemicals and drugs, including Oxamniquine, by Pfizer, against a debilitating disease caused by a parasitic worm, and estimated to affect 50m people in the Third World.

Details Pages 6, 7

Fury over Ulster speech

BY STEWART DALRYMPLE IN BELFAST AND JOHN LLOYD IN LONDON

A STORM of protest broke yesterday over a speech in Dublin by Mr. Thomas "Tip" O'Neill, Speaker of the U.S. House of Representatives, over Northern Ireland's future.

He made an unscheduled visit to Belfast and met leaders of the province's political parties yesterday. Their talks were "candid and informative," he said.

His claim, in the Dublin speech on Thursday night, that Ulster had been treated as "a political football in London" was hotly denied by Mrs. Margaret Thatcher, Opposition Leader.

She said: "We have never used Ulster as a political foot-

ball between the parties. Events there are too deeply tragic for any of us to do that."

In a prepared statement issued after his Belfast talks, Mr. O'Neill condemned the violence responsible for 2 deaths in the past two weeks.

"I renew my appeal to Americans to shun words or actions that help or encourage in any way those engaged in violence," he said.

The previous night, at a dinner speech attended by Mr. Jack Lynch, the Irish prime minister, he said that the U.S. did not want to take sides in Britain's general election.

"But we do insist on an early,

realistic and major initiative on Ulster," he said. "We have been concerned that the problem has been treated as a political football in London."

His allegation was also denounced by Mrs. Shirley Williams, Education Secretary, and brought a stinging rebuke from Mr. Robert Aylo, who is defending Christchurch and Lymington for the Tories.

He said: "There are few more nauseating sounds than biased, ignorant Irish-American politicians visiting Dublin and grubbing round for votes in the U.S. by venting their spleen on a situation—they know little about."

The only senior political figure to agree with Mr. O'Neill's remarks was Mr. John Pardoe, deputy Liberal leader.

On a BBC phone-in programme, he said: "I am afraid Mr. O'Neill is right—there have been no political advances on the part of the UK Government in Northern Ireland."

Mr. O'Neill, on a five-day visit to Ireland. It is being suggested that his visit could be a possible forerunner to one by President Jimmy Carter.

Mr. Lynch, who spoke in Dublin in honour of Mr. O'Neill, reaffirmed that he would press Britain's new Government for an initiative on Northern Ireland.

U.S. doubts China's offer

BY DAVID BUCHAN IN WASHINGTON

CHINESE Vice Premier Deng Xiaoping's offer to help the U.S. monitor Russian compliance with the proposed SALT nuclear arms treaty has caused scepticism in Washington, for political and technical reasons.

The Chinese leader told a group of U.S. Senators in Peking that if the U.S. supplied China with intelligence equipment, the Chinese would operate it and share the resulting data with Washington. But Chinese sovereignty would not allow the U.S. to have its own bases on Chinese soil, he said.

U.S. Embassy officials in Peking emphasised that the suggestion did not come from Deng. He was responding to a proposal from one of the senators.

But U.S. officials in Washington said yesterday that apart from the probability of offending the Russians, China would hardly be "a neutral filter" in passing information on SALT to the U.S.

The Peking Government has

often attacked past SALT agreements and current nuclear arms negotiations as so full of loopholes that they add nothing to nuclear arms control, though it might see monitoring stations in China as removing some of these deficiencies.

But Mr. Deng's carefully-hedged proposal has sparked public interest in what are seen as the final rounds of the protracted negotiations between Washington and Moscow for a new SALT treaty to last until 1985. Mr. Cyrus Vance, the U.S. Secretary of State, yesterday again met Mr. Anatoly Dobrynin, the Russian Ambassador to the U.S.

This is the first time they had scheduled negotiations on two consecutive days. That is seen as indicating that talks on the few remaining points in dispute have speeded up. The two superpowers are believed to have agreed what types of new nuclear missiles can be developed under the treaty, but U.S. demands that the Soviet Union not conceal missile test data may not be resolved until President Jimmy Carter and Leonid Brezhnev hold their

summit.

The Chinese proposal bears directly on the issue of "verification" or how the U.S. can detect Russian cheating under the treaty. This question has assumed a new aspect with the recent loss to the U.S. of its intelligence stations in Iran, closed by the Khomeini government.

William Dullforce writes from Stockholm: U.S. President Jimmy Carter and Soviet President Leonid Brezhnev could meet here within the next month to sign the SALT two agreement between their two countries, further limiting the expansion of nuclear weapons.

The possibility was mooted here yesterday during talks between U.S. Vice-President Walter Mondale and Swedish Premier Ola Ullsten.

Mr. Mondale said here that final agreement on SALT two was "very close." Swedish sources say he also mentioned reports from Moscow that President Brezhnev's health might not allow him to undertake a long air journey. This would prevent him travelling to the U.S. to sign the agreement.

Dunlop may fly in supplies

By Nick Garnett, Labour Staff

DUNLOP is prepared to use helicopters to fly materials into its Birmingham plant in one of the most determined attempts by a major British company to defeat the effects of trade union picketing.

The company has discussed with at least one helicopter operator the possibility of flying in materials to Fort Dunlop, blocked by pickets protesting at the closure of Dunlop's Speke plant on Merseyside earlier this week.

Union officials have warned that they will try to close Dunlop plants in the Midlands and North by picketing in an attempt to negotiate the reopening of Speke, but with lower manning levels.

Mr. Francis Charlton, the purchasing and distribution director of Fort Dunlop's tyre section, said the company would take every possible measure to maintain production.

"We are trying to ensure that we get the materials we need and customers receive the goods we can supply. We've really got our coats off on this."

The use of helicopters is one of a number of options the company says might be available to try and maintain production. Although it would be the most dramatic way of ferrying materials, helicopters would not be capable of transporting major bulk items like raw rubber and carbon black, used as a rubber strengthener.

The company is apparently switching its attention for the transportation of these materials from road to rail. Twenty-four-hour picketing has been preventing a large number of lorries from entering Fort Dunlop but the plant has a rail siding.

The great majority of workers at Speke have now accepted redundancy terms and the company said the Fort Dunlop workforce wanted production maintained.

Weather

UK TODAY

MOST areas will be cloudy, with rain or showers.

London, E. Anglia, S.E., Cent. S. England, Midlands—Cloudy, rain later. Max. 14C (57F).

Edinb., Cent. N. E. England, D. at first, showers later. Max. 13C (55F).

S.W. England, S. Wales, Channel Islands—Rain, brighter later. Max. 18C (65F).

Orkney, Shetland—Rest of Scotland, N. Wales, N.W. England, Lakes, Isle of Man, Ulster—Heavy showers, sunny intervals. Max. 11C (52F).

Outlook: Sunny intervals and showers.

WORLDWIDE

WORLDWIDE					
	Y'day		Y'day		
	midday		midday		
Algeria	18	59	Locarno	14	57
Alexia	18	61	London	12	54
Amman	27	80	Luxemb.	8	43
Bahrain	27	80	Lyon	8	43
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Beirut	18	60	Malaga	15	59
Bombay	9	48	Moscow	10	50
Buenos Aires	18	50	Munich	13	56
Cairo	C	F	Nairobi	18	64
Cardiff	C	F	Paris	12	54
Cebu	C	F	Rome	15	59
Chicago	12	54	Seoul	10	50
Cologne	12	54	Singapore	29	84
Dublin	12	54	Sofia	10	50
Edinb.	12	54	Stockholm	10	50
Frankfurt	12	54	Sydney	22	72
Glasgow	12	54	Taipei	18	64
Hong Kong	27	80	Tokyo	18	64
Imbabura	12	54	Toronto	10	50
Isle of Man	12	54	U.S. City	10	50
Jersey	12	54	Vienna	10	50
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New Harp consortium

THE LONG-STANDING consortium of three major brewers which owns Harp Lager is to be broken up later this year following a restructuring of the company announced yesterday.

The move ends lengthy speculation that Courage and Scottish and Newcastle, which together with Guinness were the major partners in the consortium, wanted to concentrate on their own recently launched larger brands to take increased advantage of the booming lager market.

Under the new agreement, the breweries owned by Harp have been split up among the consortium members with one brewery—at Alton—together with an adjacent Courage packaging plant being sold to Bass.

A company will be formed called Harp Limited, which will be 70 per cent owned by Guinness, with Greene King, the East

Anglian brewer, owning 20 per cent and Wolverhampton and Dudley Breweries the remaining 10 per cent. At present, Greene King and Wolverhampton and Dudley Breweries have a 2 per cent stake each in Harp Lager, with the rest of the equity equally divided between the three major brewers.

Both Courage and Scottish and Newcastle will have a franchise to brew, distribute, and sell Harp granted to them by the new Harp Limited consortium. Both brewers have also agreed to provide financial help for national marketing campaigns.

The restructuring means that Harp will be brewed in Edinburgh and Manchester by Scottish and Newcastle and by Courage from next year at its new Berkshire brewery and possibly at Tadcaster as well.

News Analysis Page 5

Continued from Page 1

Times may print weekly abroad

Federation and print unions in Holland, the only Western European country which is not affiliated to this federation, asking for support to prevent the launch of the paper.

After a meeting of the liaison committee representing the Times unions Mr. Barry Fitzpatrick, chairman, said the proposal for a European-printed paper was provocative and would make a negotiated settlement to the dispute more difficult to achieve.

Members of the National Union of Journalists spent several hours discussing the proposals yesterday and will meet again on Tuesday. No journalist will be required to

produce material for the proposed new paper if he objects on principle.

Representatives from the Times NUJ chapel are going to Avy, where the union conference is assembling, this weekend to discuss the position of editorial staff when the NGA begins picketing Times Newspapers buildings next week.

Yesterday's liaison committee recommended that staff still employed by the company should not cross the picket line.

Mr. Gordon Brunton, chief executive of Thomson British Holdings, yesterday strongly denied rumours that the Times and his sister paper were for sale. He said two approaches

had been made by "substantial organisations" which were interested in buying the Times and had the money to do so but both had been told the papers were not for sale. There had also been a number of less serious inquiries.

Despite the gloomy outlook, Mr. Brunton said he was still confident that an agreement could be reached with the unions which would enable the papers to resume publication.

"At the moment things look black, but even in the grimmest situation there is always a solution, and we will find it. I do not think it will drag on for many more months."

THE LEX COLUMN

Uneasy calm in the markets

The financial markets have been going through a spell of mid-campaign blues this week. The FT 30-Share Index lost almost 13 points in the three days in Thursday, and edged and starting also lost some of their pre-Easter shine. But things brightened up yesterday, particularly after the official close at 3.30 when it became possible to buy shares at no extra cost for the election account. Positions can now be run, without payment, until May 4.

The result was that an Index gain of 4.1 points at 3.0 turned into a rise of more than twice that by the closing calculation. Gilt-edged, too, picked up in late trading.

Setting aside these small fluctuations, however, the fact is that most investors took up their positions for this election four weeks ago, when the 30 confidence motion was put down. The next day the 30-Share Index jumped 20 points to 534.6, and it has not made much headway since then. Volume then was surging to record levels, most noticeably in the speculative traded options market. But since then activity has quietened down very considerably, because there has been no change in the political background to cause any changes of view.

In these uneasily quiet conditions dealers have been falling back on swapping rumours about the size of the Tory lead in the next day's newspaper opinion polls. But the big institutional investors are going to stay on the sidelines for the next couple of weeks.

Harp

The essence of the dissolution of the 12 year old Harp Lager consortium is that the partners will take back or sell most of Harp's productive capacity, preferring to make and distribute the three Harp products themselves.

Guinness is left with 70 per

Index rose 8.5 to 538.7

cent of the greatly diminished rump of the business in which Greene King and Wolverhampton and Dudley Breweries also have small stakes. This new Harp will have a productive capacity of about 250,000 barrels a year as against the consortium's current capacity of more than 5m barrels. Its equity will be worth about £10m, the basis that Greene King has paid £1.1m for a tenth, where its forerunner must be capitalised at about £80m.

The advantage to Scottish and Newcastle, and to Courage, is that they will be able to use their larger-making capacity to brew either Harp products or their own, as they see best, and that they will profit fully from their efforts to sell Harp. The major bone of contention in the Harp consortium was that these two companies did not always see profits which were proportionate to their Harp sales. These accounted for more than half of S and N's lager sales and about one quarter of Courage's.

Their loss was Guinness's gain. Though no figures have been published to show how much has been paid for the various assets, the immediate impression is that Guinness's loss is the loser. Harp sold its products wholesale and largely to its shareholders—brewers. Guinness is left with its sales in Ireland and, through the new Harp, with sales to non-associated brewers and the two smaller shareholders.

Bass, on the other hand, is the clearest winner. It knew it needed more lager capacity in the South and has bought the Alton brewery from the consortium at a price which must compare favourably with the cost of a new one. Bass shares put on 3p to 226p yesterday. Guinness dropped fractionally to 204p while S and N, which has

been boosted recently on take-over rumours, dropped 1p to 66p.

Debtenture Corporation

The Board of the Debtenture Corporation, faced with a cash bid from the pension scheme of British Airways, is predictably planning to resist the terms. It has, after all, nothing to lose and possibly something to gain. So the directors are writing to shareholders claiming that the offer is "wholly misjudged" and that the Airways scheme should pay a premium over going concern value for the trust.

There are strong echoes from past investment trust takeover battles. In late 1977 British Investment Trust dismissed the claim by the National Coal Board pension funds that its offer was fair as "manifestly absurd." About the same time Edinburgh and Dundee Investment Trust rejected a British Rail pension fund offer as "inadequate." In both cases most shareholders thought differently, however.

Now the Debtenture Corporation is arguing that its portfolio of carefully selected shares is worth a premium—indeed, the Airways scheme has effectively admitted that it could not easily invest £40m directly in the market without driving prices up against itself. And it is certainly rather cheeky of the pension fund to deduct the cost of terminating the Debtenture managers' contract from the value of assets. Yet ultimately the decision will be up to shareholders to decide whether Debtenture Corporation has not explained why its shareholders are likely to behave differently from those of BTs or E and D. Investment trust directors talk readily about the loyalty of their shareholders. But the fact is that the decline of the private investor has left the hard-nosed institutions calling the tune.

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